

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION

CITIZENS STATE BANK,

Plaintiff,

V.

MICHAEL SCOTT LESLIE, MONTAGE
MORTGAGE, LLC, SNOWBERRY
SETTLEMENTS, LLC, MORTGAGE
CAPITAL MANAGEMENT, LLC,
TRAVELERS BOND AND SPECIALTY
INSURANCE, TRAVELERS CASUALTY
AND SURETY COMPANY OF AMERICA,
and THE TRAVELERS INDEMNITY
COMPANY,

Defendants.

~~~~~

CIVIL ACTION NO.

6:18-cv-237

# EXHIBIT 1

## State Court Lawsuit

**MCLENNAN DISTRICT CLERK**

501 Washington Avenue, Suite 300 Annex

Waco, TX, 76701

PHONE # : (254) 757-5057

FAX : N/A

**DOCKET SHEET - CIVIL CASE**

DOCKET NO. : 2017-4071-5

CASE STATUS : PENDING FILED DATE : 12/06/2017

TJC CODE : ALL OTHER C

STYLE : CITIZENS STATE BANK Vs MICHAEL SCOTT LESLIE ET AL

DISPOSITION :

DISPOSED : N/A

TJC CODE :

| TYPE      | PARTY                                            | ATTORNEY                             |
|-----------|--------------------------------------------------|--------------------------------------|
| PLAINTIFF | CITIZENS STATE BANK                              | CHRISTOPHER B TROWBRIDGE             |
|           | 0                                                | 3232 MCKINNEY AVE, STE 140 DALLAS TX |
| DEFENDAN  | MICHAEL SCOTT LESLIE                             |                                      |
|           | 6308 SNOWBERRY LANE Longmont CO 80503            | 0                                    |
| DEFENDAN  | MONTAGE MORTGAGE, LLC                            |                                      |
|           | C/O AMERICAN MORTGAGE LICENSING, LLC Rockwall TX | 0                                    |
| DEFENDAN  | SNOWBERRY SETTLEMENTS, LLC                       |                                      |
|           | 357 MCCASLIN BLVD, STE 200 Louisville CO 80027   | 0                                    |
| DEFENDAN  | MORTGAGE CAPITAL MANAGEMENT, LLC                 |                                      |
|           | 2121 EISENHOWER AVE, STE 200 Alexandria VA 22314 | 0                                    |
| DEFENDAN  | TRAVELERS INDEMNITY COMPANY                      |                                      |
|           | C/O CORPORATION SERVICE COMPANY AUSTIN TX 78701  | 0                                    |
| DEFENDAN  | TRAVELERS BOND AND SPECIALTY INSURANCE           |                                      |
|           | C/O CORPORATION SERVICE COMPANY AUSTIN TX 78701  | 0                                    |
| DEFENDAN  | TRAVELERS CASUALTY AND SURETY COMPANY OF AM      |                                      |
|           | C/O CORPORATION SERVICE COMPANY AUSTIN TX 78701  | 0                                    |
| OTHER     | TEXAS SECRETARY OF STATE                         |                                      |
|           | 0                                                | 0                                    |

**HEARING NOTES : 2017-4071-5**

| DATE       | TEXT                                                |
|------------|-----------------------------------------------------|
| 12/06/2017 | CIVIL CASE INFORMATION SHEET                        |
| 12/06/2017 | ORIGINAL PETITION                                   |
| 12/08/2017 | REQUEST FOR ISSUANCE                                |
| 12/08/2017 | CITATION ISSUED TO MICHAEL SCOTT LESLIE             |
| 12/08/2017 | CITATION ISSUED TO TEXAS SECRETARY OF STATE         |
| 12/08/2017 | CITATION ISSUED TO MONTAGE MORTGAGE, LLC            |
| 12/08/2017 | CITATION ISSUED TO SNOWBERRY SETTLEMENTS, LLC       |
| 12/08/2017 | CITATION ISSUED TO TEXAS SECRETARY OF STATE         |
| 12/08/2017 | CITATION ISSUED TO MORTGAGE CAPITAL MANAGEMENT, LLC |
| 12/08/2017 | CITATION ISSUED TO TEXAS SECRETARY OF STATE         |
| 12/08/2017 | E-FILE INFORMATION SHEET                            |
| 12/27/2017 | RETURNED CITATION MONTAGE MORTGAGE LLC              |
| 12/27/2017 | E-FILE INFORMATION SHEET                            |
| 07/06/2018 | FIRST AMENDED ORIGINAL PETITION                     |
| 07/06/2018 | LETTER DATED 7/6/2018 REQUESTING ISSUANCE           |
| 07/06/2018 | E-FILE INFORMATION SHEET                            |

DATE : 8/17/2018  
TIME : 10:40 amPAGE : 1  
USER NAME : TSPIRE

**MCLENNAN DISTRICT CLERK**

501 Washington Avenue, Suite 300 Annex

Waco, TX, 76701

PHONE #: (254) 757-5057

FAX: N/A

**DOCKET SHEET - CIVIL CASE**

**CASE NO.:** 2017-4071-S

**STYLE:** CITIZENS STATE BANK vs. MICHAEL SCOT

|            |                                                                             |
|------------|-----------------------------------------------------------------------------|
| 07/06/2018 | E-FILE INFORMATION SHEET                                                    |
| 07/09/2018 | CITATION ISSUED TO MICHAEL SCOTT LESLIE                                     |
| 07/09/2018 | CITATION ISSUED TO TEXAS SECRETARY OF STATE                                 |
| 07/09/2018 | CITATION ISSUED TO SNOWBERRY SETTLEMENTS, LLC                               |
| 07/09/2018 | CITATION ISSUED TO TEXAS SECRETARY OF STATE                                 |
| 07/09/2018 | CITATION ISSUED TO MORTGAGE CAPITAL MANAGEMENT, LLC                         |
| 07/09/2018 | CITATION ISSUED TO TEXAS SECRETARY OF STATE                                 |
| 07/16/2018 | RETURNED CITATION MICHAEL S LESLIE                                          |
| 07/16/2018 | RETURNED CITATION SNOWBERRY SETTLEMENTS LLC                                 |
| 07/16/2018 | RETURNED CITATION MORTGAGE CAPITAL MANAGEMENT                               |
| 07/17/2018 | PLAINTIFF'S SECOND AMENDED ORIGINAL PETITION                                |
| 07/17/2018 | E-FILE INFORMATION SHEET                                                    |
| 07/18/2018 | E-FILE INFORMATION SHEET //PE (AMD PET)                                     |
| 07/30/2018 | PLAINTIFF'S THIRD AMENDED ORIGINAL PETITION                                 |
| 07/30/2018 | E-FILE INFORMATION SHEET //PE (AMD PET)                                     |
| 08/13/2018 | REQUEST FOR ISSUANCE (CTN TRAVELERS BOND AND SPECIALY INSURANCE)            |
| 08/13/2018 | E-FILE INFORMATION SHEET                                                    |
| 08/13/2018 | REQUEST FOR ISSUANCE (CTN TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA) |
| 08/13/2018 | E-FILE INFORMATION SHEET                                                    |
| 08/13/2018 | REQUEST FOR ISSUANCE (CTN THE TRAVELERS INDEMNIT COMPANY)                   |
| 08/13/2018 | E-FILE INFORMATION SHEET                                                    |
| 08/14/2018 | CITATION ISSUED TO TRAVELERS BOND AND SPECIALTY INSURANCE                   |
| 08/14/2018 | CITATION ISSUED TO TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA         |
| 08/14/2018 | CITATION ISSUED TO TRAVELERS INDEMNITY COMPANY                              |

**MCLENNAN DISTRICT CLERK**

501 Washington Avenue , Suite 300 Annex

Waco , TX , 76701

PHONE # : (254) 757-5057

FAX : N/A

**DOCKET SHEET - CIVIL CASE**

**CASE NO. :** 2017-4071-5

**STYLE :** CITIZENS STATE BANK Vs. MICHAEL SCOT

**DOCKET ENTRY**

## CIVIL CASE INFORMATION SHEET

CAUSE NUMBER (FOR CLERK USE ONLY):

2017-4071-5

COURT (FOR CLERK USE ONLY):

STYLED CITIZENS STATE BANK V. MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, SNOWBERRY SETTLEMENTS, LLC, AND MORTGAGE CAPITAL MANAGEMENT, LLC

(e.g., John Smith v. All American Insurance Co; In re Mary Ann Jones; In the Matter of the Estate of George Jackson)

A civil case information sheet must be completed and submitted when an original petition or application is filed to initiate a new civil, family law, probate, or mental health case or when a post-judgment petition for modification or motion for enforcement is filed in a family law case. The information should be the best available at the time of filing.

|                                                                      |                        |                                                                                                              |                                                                       |
|----------------------------------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| 1. Contact information for person completing case information sheet: |                        | Names of parties in case:                                                                                    | Person or entity completing sheet is:                                 |
| Name:                                                                | Email:                 | Plaintiff(s)/Petitioner(s):                                                                                  | <input checked="" type="checkbox"/> Attorney for Plaintiff/Petitioner |
| Kristopher D. Hill                                                   | khill@bellnunnally.com | Citizens State Bank                                                                                          | <input type="checkbox"/> Pro Se Plaintiff/Petitioner                  |
| Address:                                                             | Telephone:             | Defendant(s)/Respondent(s):                                                                                  | <input type="checkbox"/> Title IV-D Agency                            |
| Bell Nunnally & Martin, LLP                                          | (214) 740-1400         | Michael Scott Leslie, Montage Mortgage, LLC, Snowberry Settlements, LLC and Mortgage Capital Management, LLC | <input type="checkbox"/> Other:                                       |
| 3232 McKinney Ave., Suite 1400                                       | Fax:                   |                                                                                                              | Additional Parties in Child Support Case:                             |
| City/State/Zip:                                                      | (214) 740-1499         |                                                                                                              | Custodial Parent:                                                     |
| Dallas, Texas 75204                                                  | State Bar No:          |                                                                                                              | Non-Custodial Parent:                                                 |
| Signature:                                                           | 24066574               |                                                                                                              | Presumptive Father:                                                   |
| /s/ Kristopher D. Hill                                               |                        | (Attach additional page as necessary to list all parties)                                                    |                                                                       |

2. Indicate case type, or identify the most important issue in the case (select only 1):

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Civil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Family Law                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                          |
| <b>Contract</b><br><input type="checkbox"/> Consumer/DTPA<br><input type="checkbox"/> Debt/Contract<br><input type="checkbox"/> Fraud/Misrepresentation<br><input checked="" type="checkbox"/> Other Debt/Contract:<br><b>Foreclosure</b><br><input type="checkbox"/> Home Equity—Expedited<br><input type="checkbox"/> Other Foreclosure<br><input type="checkbox"/> Franchise<br><input type="checkbox"/> Insurance<br><input type="checkbox"/> Landlord/Tenant<br><input type="checkbox"/> Non-Competition<br><input type="checkbox"/> Partnership<br><input type="checkbox"/> Other Contract: | <b>Injury or Damage</b><br><input type="checkbox"/> Assault/Battery<br><input type="checkbox"/> Construction<br><input type="checkbox"/> Defamation<br><b>Malpractice</b><br><input type="checkbox"/> Accounting<br><input type="checkbox"/> Legal<br><input type="checkbox"/> Medical<br><input type="checkbox"/> Other Professional Liability:<br><input type="checkbox"/> Motor Vehicle Accident<br><input type="checkbox"/> Premises<br><b>Product Liability</b><br><input type="checkbox"/> Asbestos/Silica<br><input type="checkbox"/> Other Product Liability<br>List Product:<br><input type="checkbox"/> Other Injury or Damage: | <b>Real Property</b><br><input type="checkbox"/> Eminent Domain/Condemnation<br><input type="checkbox"/> Partition<br><input type="checkbox"/> Quiet Title<br><input type="checkbox"/> Trespass to Try Title<br><input type="checkbox"/> Other Property:                                                                                                                                                                                                                                             | <b>Marriage Relationship</b><br><input type="checkbox"/> Annulment<br><input type="checkbox"/> Declare Marriage Void<br><b>Divorce</b><br><input type="checkbox"/> With Children<br><input type="checkbox"/> No Children |
| <b>Employment</b><br><input type="checkbox"/> Discrimination<br><input type="checkbox"/> Retaliation<br><input type="checkbox"/> Termination<br><input type="checkbox"/> Workers' Compensation<br><input type="checkbox"/> Other Employment:                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Other Civil</b><br><input type="checkbox"/> Administrative Appeal<br><input type="checkbox"/> Antitrust/Unfair Competition<br><input type="checkbox"/> Code Violations<br><input type="checkbox"/> Foreign Judgment<br><input type="checkbox"/> Intellectual Property                                                                                                                                                                                                                             |                                                                                                                                                                                                                          |
| <b>Tax</b><br><input type="checkbox"/> Tax Appraisal<br><input type="checkbox"/> Tax Delinquency<br><input type="checkbox"/> Other Tax:                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Related to Criminal Matters</b><br><input type="checkbox"/> Expunction<br><input type="checkbox"/> Judgment Nisi<br><input type="checkbox"/> Non-Disclosure<br><input type="checkbox"/> Seizure/Forfeiture<br><input type="checkbox"/> Writ of Habeas Corpus—Pre-indictment<br><input type="checkbox"/> Other:                                                                                                                                                                                    |                                                                                                                                                                                                                          |
| <b>Probate/Wills/Intestate Administration</b><br><input type="checkbox"/> Dependent Administration<br><input type="checkbox"/> Independent Administration<br><input type="checkbox"/> Other Estate Proceedings                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Other Family Law</b><br><input type="checkbox"/> Enforce Foreign Judgment<br><input type="checkbox"/> Habeas Corpus<br><input type="checkbox"/> Name Change<br><input type="checkbox"/> Protective Order<br><input type="checkbox"/> Removal of Disabilities of Minority<br><input type="checkbox"/> Other:                                                                                                                                                                                       |                                                                                                                                                                                                                          |
| <b>Post-Judgment Actions (non-Title IV-D)</b><br><input type="checkbox"/> Enforcement<br><input type="checkbox"/> Modification—Custody<br><input type="checkbox"/> Modification—Other<br><b>Title IV-D:</b><br><input type="checkbox"/> Enforcement/Modification<br><input type="checkbox"/> Paternity<br><input type="checkbox"/> Reciprocity (UIFSA)<br><input type="checkbox"/> Support Order                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Parent-Child Relationship</b><br><input type="checkbox"/> Adoption/Adoption with Termination<br><input type="checkbox"/> Child Protection<br><input type="checkbox"/> Child Support<br><input type="checkbox"/> Custody or Visitation<br><input type="checkbox"/> Gestational Parenting<br><input type="checkbox"/> Grandparent Access<br><input type="checkbox"/> Paternity/Paternity<br><input type="checkbox"/> Termination of Parental Rights<br><input type="checkbox"/> Other Parent-Child: |                                                                                                                                                                                                                          |
| <b>Probate &amp; Mental Health</b><br><input type="checkbox"/> Guardianship—Adult<br><input type="checkbox"/> Guardianship—Minor<br><input type="checkbox"/> Mental Health<br><input type="checkbox"/> Other:                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                          |

3. Indicate procedure or remedy, if applicable (may select more than 1):

|                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Appeal from Municipal or Justice Court<br><input type="checkbox"/> Arbitration-related<br><input type="checkbox"/> Attachment<br><input type="checkbox"/> Bill of Review<br><input type="checkbox"/> Certiorari<br><input type="checkbox"/> Class Action | <input type="checkbox"/> Declaratory Judgment<br><input type="checkbox"/> Garnishment<br><input type="checkbox"/> Interpleader<br><input type="checkbox"/> License<br><input type="checkbox"/> Mandamus<br><input type="checkbox"/> Post-judgment | <input type="checkbox"/> Prejudgment Remedy<br><input type="checkbox"/> Protective Order<br><input type="checkbox"/> Receiver<br><input type="checkbox"/> Sequestration<br><input type="checkbox"/> Temporary Restraining Order/Injunction<br><input type="checkbox"/> Turnover |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

4. Indicate damages sought (do not select if it is a family law case):

|                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Less than \$100,000, including damages of any kind, penalties, costs, expenses, pre-judgment interest, and attorney fees<br><input type="checkbox"/> Less than \$100,000 and non-monetary relief<br><input type="checkbox"/> Over \$100,000 but not more than \$200,000<br><input type="checkbox"/> Over \$200,000 but not more than \$1,000,000<br><input checked="" type="checkbox"/> Over \$1,000,000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

CAUSE NO. 2017-4071-5

CITIZENS STATE BANK,

Plaintiff,

v.

MICHAEL SCOTT LESLIE,  
MONTAGE MORTGAGE, LLC,  
SNOWBERRY SETTLEMENTS, LLC,  
and MORTGAGE CAPITAL  
MANAGEMENT, LLC,

Defendants.

IN THE DISTRICT COURT OF

MCLENNAN COUNTY, TEXAS

44TH JUDICIAL DISTRICT

FILED  
2017 DEC 5 AM 11:01  
JOHN GIMBLE  
DISTRICT CLERK  
MCLENNAN COUNTY  
DEPUTY

ORIGINAL PETITION

Plaintiff Citizens State Bank ("Citizens") complains of Defendants Michael Scott Leslie ("Leslie"), Montage Mortgage, LLC ("Montage"), Snowberry Settlements, LLC ("Snowberry"), and Mortgage Capital Management, LLC ("MCM") (collectively, "Defendants").

PRELIMINARY STATEMENT

1. This case is based on a scam orchestrated by Leslie and his tangled web of affiliates—Montage, Snowberry, and MCM—to steal at least \$3,872,745 from Citizens. While the depth of Leslie's fraudulent scam runs deep, he has specifically confessed to inducing Citizens into wiring funds to purchase phantom interests in 12 fictitious mortgage loans.

DISCOVERY CONTROL PLAN

2. Discovery shall be conducted under Level 2. *See* TEX. R. CIV. P. 190.3.

PARTIES

3. Plaintiff Citizens is a Texas financial institution.

4. Defendant Leslie is an individual who resides at 6308 Snowberry Lane, Niwot, Colorado 80503. Leslie has done business in Texas by forming and operating businesses in Texas, entering contracts to perform obligations in Texas, and committing torts in Texas.

Leslie may be served with process at his residence, wherever he may be found, or by serving a copy of this petition and citation on the Secretary of State of Texas, Leslie's statutorily designated agent for service of process, at Citations Unit, P.O. Box 12079, Austin, Texas 78711-2079 or 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall mail a copy of the petition and citation to Leslie's residence at 6308 Snowberry Lane, Niwot, Colorado 80503.

5. Defendant Montage is a Texas limited liability company authorized to conduct business in Texas. Montage may be served with process through its registered agent, American Mortgage Licensing, LLC ("AML"), at 805 Country Club Dr., Heath, Texas 75032. AML's registered agent, Michael Crouse, may be served with process on behalf of AML and Montage at 805 Country Club Dr., Heath, Texas 75032, or wherever he may be found.

6. Defendant Snowberry is a Colorado limited liability company organized and formed by Leslie and doing business in Texas by contracting to perform an obligation in Texas and committing torts in Texas. Snowberry may be served with process through its registered agent, Barbara Stricklin, at 6308 Snowberry Lane, Niwot, Colorado 80503, or wherever she may be found. Snowberry has engaged in business in the State of Texas, but does not maintain a designated agent for service of process in Texas. Therefore, Snowberry may be served with citation through the Secretary of State for the states of Texas at Citations Unit, P.O. Box 12079, Austin, Texas 78711-2079 or 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall mail a copy of the citation and the petition to Snowberry at Snowberry Settlements, LLC c/o Registered Agent Barbara Stricklin, 6308 Snowberry Lane, Niwot, Colorado 80503.

7. Defendant MCM is a Colorado limited liability company organized and formed by Leslie and doing business in Texas by contracting to perform an obligation in Texas and



committing torts in Texas. MCM may be served with process through its registered agent, Rick Jenkins, at 5200 S. Ulster St., Suite 1504, Denver Colorado 80111, or wherever he may be found. MCM has engaged in business in the State of Texas, but does not maintain a designated agent for service of process in Texas. Therefore, MCM may be served with citation through the Secretary of State for the states of Texas at Citations Unit, P.O. Box 12079, Austin, Texas 78711-2079 or 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall mail a copy of the citation and the petition to MCM at the following addresses: Mortgage Capital Management, LLC, c/o Registered Agent Rick Jenkins, 5200 S. Ulster St., Suite 1504, Denver Colorado 80111 and Mortgage Capital Management, LLC, c/o, Michael Scott Leslie, 2121 Eisenhower Avenue, Suite 200, Alexandria, Virginia.

#### JURISDICTION

8. Citizens seeks monetary relief over \$1,000,000; and the damages sought by Citizens are within the jurisdictional limits of the court. *See* Tex. R. Civ. P. 47(b), (c)(5).

#### VENUE

9. Venue is proper in McLennan County, Texas because a substantial part of the events or omissions giving rise to the claims asserted occurred in McLennan County, Texas.

#### FACTUAL BACKGROUND

##### A. Citizens State Bank

10. Citizens is a financial institution that has provided community-banking services to customers throughout central and southeast Texas for over 98 years. Citizens' core back-office departments, including its finance, accounting, human resources, marketing, and warehouse lending departments, are based in McLennan County, Waco, Texas.

11. Citizens operates a warehouse mortgage lending program, internally referred to as its "Temporary Mortgage Participation Program" or "TMPP". In a typical TMPP



transaction, Citizens provides a funding facility to a licensed mortgage originator (the "Client") in exchange for a loan-participation interest in a residential mortgage loan and related security instrument submitted by the Client. The funding facility allows the Client to fund mortgage loans to borrowers and then sell the loans—generally, 30-45 days later—on the secondary market to a mortgage investor. Once the Client sells the loan to an investor on the secondary market, Citizens is repaid the principal amount it paid for its participation interest, plus interest for the temporary time the loan was held by the Client.

**B. Leslie's Tangled Web of Affiliates**

12. Leslie formed Montage in Texas. Leslie represented to Citizens that Montage is licensed to originate mortgage loans in Texas and other states.

13. Leslie formed Snowberry in 2015. Leslie represented to Citizens that Snowberry is a title company engaged in the business of maintaining escrow accounts for money provided to fund mortgage loans. Snowberry's registered address is the same as the address of Leslie's personal residence.

14. Leslie formed MCM in 2015. Leslie represented to Citizens that MCM is an investor in mortgage loans.

**C. Leslie lures Citizens into a warehouse lending relationship**

15. In 2014, Montage acquired, Ameritrust Mortgage, Inc., which, had been a TMPP client of Citizens since 2010. Soon after the acquisition, Leslie sought to assume Ameritrust's role in the TMPP by painting the picture of being an experienced mortgage banker expanding his business with a well-thought-out strategic plan.

16. Citizens and Montage subsequently entered a Loan Participation Agreement, Participation Adminstrating Agreement, and Amended and Restated Loan Participation Agreement (collectively, the "Agreements"), which enabled Montage to offer Citizens

opportunities to purchase 99% participation interests in residential mortgage loans and security instruments originated by Montage. In exchange for Citizens purchasing a 99% participation interest in a Montage loan, the Agreements require Montage to, among other things: (a) deliver to Citizens the executed loan and security instruments and required underwriting documentations executed by the borrower; and (b) immediately upon receipt of any payment from an investor, repay the principal loan amount funded by Citizens plus Citizens' respective share of the interest accrued on the loan during the temporary time it was held by Montage.

17. Montage provided numerous express warranties to Citizens under the Agreements, including:

- Montage (i) is the sole and lawful owner of each Mortgage Loan, has good and marketable title thereto, free and clear of all security interests and liens, pledges, charges, encumbrances, or any interests of any other party; and (ii) has the full right and authority to assign and transfer each Mortgage Loan and the Participation Interest therein to [Citizens] ...
- The Mortgage Loan has been in accordance with loan underwriting standards and guidelines of Citizens ...
- Each Mortgage Note has been executed by the Borrower, each Borrower is fully competent to execute the Mortgage Note and the Mortgage Note is genuine and is legal and enforceable against Borrower in accordance with its terms.
- The Mortgage Loan was made pursuant to and in compliance with all applicable federal and state laws, rules, and regulations ...
- All copies of any Collateral Documents or Loan Papers furnished to Citizens are accurate and complete copies of the originals of such documents or papers.
- Montage has no knowledge at the time of the sale of each Participation Interest of any conditions which would impair the Mortgage Loan. No condition exists with respect to such Mortgage Loan which could give rise to any right of rescission, set-off, counterclaim, or defense with regard to the Mortgage Loan ...

- With respect to any Mortgage Loan which provides for escrows, all escrows have been properly collected and disbursed and a proper escrow account analysis has been prepared and timely delivered to the Borrower.
- There are no irregularities, deficiencies, defects, or falsifications concerning the Mortgage Loan ...
- Montage has full power and authority to originate, market, sell and service each Subject Mortgage Loan and to enter into and consummate all transactions contemplated by this Agreement and to enter into and consummate all transactions contemplated by this Agreement ...

18. The Agreement contains security mechanisms to secure Citizens' purchases of participation interests, including the obligation that "[u]pon the default of any provision of the Agreement or the breach of any representation or warranty made by [Montage] ..., [Montage] shall be obligated to, and shall, immediately repurchase from Citizens the Participation Interest in the Mortgage Loan for the Repurchase Price."

19. Throughout Citizens' relationship with Ameritrust and Montage, Citizens purchased participation interests in over 1,400 loans totaling over \$287 million. In late 2015, Leslie began orchestrating mortgage transactions that involved Snowberry, as a purported settlement agent authorized to escrow funds and close loans, and MCM, as a purported mortgage investor. Uninformed of Leslie's tangled affiliation with Montage, Snowberry, and MCM, from October 2015 through October 2017, Citizens purchased 144 participation interests totaling \$31,908,808.88 in loans involving Leslie and his affiliates. Leslie never disclosed his or Montage's affiliation with Snowberry or MCM.

#### D. Defendants' Scam Unravels

20. In each of the transactions Leslie orchestrated to involve Montage, Snowberry, and MCM, Montage submitted a mortgage-loan package to Citizens that included underwriting materials, together with an executed note and mortgage. In many cases, the purported borrower was a previous borrower of Montage who appeared to be seeking to

refinance an original mortgage. As a result, Montage had significant information about the purported borrowers from previous loan packages. Defendants even provided Mortgage Identification Numbers assigned by the Mortgage Electronic Registration Systems and other identifying information to add underwriting credence to the transactions. Citizens paid for all of its participation interests in these loans by wiring money pursuant to Leslie's directions. Before CSB wired any money in these transactions, Leslie represented that MCM could serve as the ultimate secondary-market investor to purchase/settle the loans and send the sales proceeds to Citizens.

21. On October 17, 2017, Citizens informed Leslie over the phone that it needed to suspend its purchase of participation interests in Montage loans and desired to close out its existing pipeline of participation interests in 23 outstanding Montage loans. Realizing his scam was on the verge of ending, Leslie reached out later the same day and asked if he could travel from his home in Colorado to meet with Citizens' President the very next day. At the meeting the following day, Leslie confessed that only 11 of the 23 outstanding loans were legitimate and could be sold on the secondary market to pay off Citizens in the normal course of business. Leslie admitted that Citizens had purchased phantom participation interests in the remaining 12 outstanding loans (the "Phantom Loans") that would not be repaid. The reason why: Leslie secretly pocketed the money.

22. In reference to the Phantom Loans, Leslie specifically confessed:

- "You know we'll be able to pay off [the Phantom Loans] in a longer time frame. So what I'm gonna request from you is a 6-month to 12-month time frame to pay the rest of them off so — and I've got the — you know, I've got reasons for that, but I don't think we want to go into those .... I've got a big, giant, lawsuit against another company that's gonna settle ... out as soon as December. I'm gonna want up to 12 months if we can structure it that way. ... And [then] the bank will get their money."
- "There's been a giant number of mistakes that are gonna, you know — they're — if we can just structure a longer term pay out on the balance

and give me a chance to get this lawsuit to the goal line, it's a real deal, it'll get you paid."

- "I have created massive problems by making mistakes that were not, you know, were not personally motivated or driven but it is what it is at this point. I mean I got — you know, so I got a problem and the way to fix the problem is to let the lawsuit manifest, you know, a settlement and then we get this knocked out."
- "Can I have 12 loans — or some way to structure something that gets us time to let that lawsuit pay. That's all we got. That's all I got .... I put myself in a bad position by making, you know, an original mistake that led to a thousand others ...."
- "I'm just here in front of you because, you know, I want you to see me as a regretful, remorseful person that's gonna — I'm gonna fix this if you give me a chance, or if the board gives me the chance, but I don't know how to handle it from here other than to come talk to you and I didn't — I hadn't sought legal advice. I haven't — you know what I mean? I don't know where it goes from here. I just know that you've got some loans that need to get paid and then — then we need to, if it's possible work out a time frame on these others and that what's I'm here to ask."

23. In response to these bombshells, Citizens asked Leslie: "Why won't [the Phantom Loans] pay off in the normal course of business." Leslie's incriminating response was:

They — they just — they won't. You know, they just won't and I don't know, you know, what language to use there. I don't want to dance around it. ... I don't know what I should say to you that would put you in a position where you have to go, you know, I'm trying to — I'm trying to play kind of a semantics game here that I'm not comfortable playing 'cause I've never been in this position before but you just don't want to dig deeper on these loans. You just don't. And you know there's a problem there. ... I think the less that the bank knows maybe the better. Because if the bank knows something the bank might have to disclose something ... and I don't want to put you in the position where you have to disclose or lie or whatever and maybe omission is as much the same thing but I don't know, I've never been in this position before. ... It's not good and it's not a good situation. I'm, you know, I'm prepared. You know I've already kind of met my maker on what I've done to try to solve all these problems and I've just created more problems.

Leslie confirmed the status of the Phantom Loans in the following exchange:

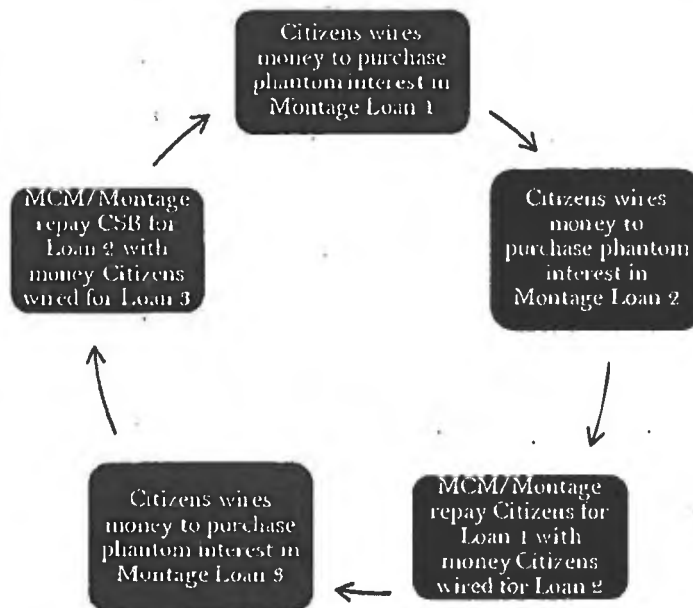
Citizens: "What I'm hearing [is] the only way to get the bank paid is based off of a lawsuit?

Leslie: "Correct."

Citizens: "All right. So that's telling me then these loans are not going to pay. Are they real loans?"

Leslie: "I don't know what I should say or what I shouldn't say there. The loans are not gonna pay. ... I have no ability to make restitution of any sort right now. I mean, so if we — if this thing goes where a full everybody ripping everything apart and, you know, regulators come and, you know, authorities come and, you know, it — whatever happens to me but I just — there's nothing.

24. As a result of Leslie's confessions, Citizens conducted an investigation into its transaction history with Leslie and Montage. The investigation revealed that the litany of Leslie's "mistakes" likely amount to a large-scale scam that would have carried on indefinitely had Citizens not suspended its TMPP relationship with Montage. The scam appears to have relied on a continuous cycle of theft and fraud depicted in the following diagram:



When the music finally stopped on Leslie's musical-chairs game of fraud, Citizens was left holding \$3,872,745 worth of non-existent interests in the 12 Phantom Loans with no underlying property to serve as security. Defendants have failed and refused to repay Citizens



for the funds it wired for the Phantom Loans. All conditions precedent to enforcement of Citizens' claims have occurred or been waived or excused.

**COUNT 1: FRAUD / STATUTORY FRAUD**

25. Defendants made false representations to Citizens regarding the Phantom Loans. Specifically, Leslie and Montage falsely represented, among other things, that they:

- originated, delivered, marketed, and sold lawful, valid interests in secured mortgage loans on legitimate residential properties to Citizens;
- secured title on the underlying residential properties;
- set up a valid escrow arrangement to hold and direct Citizens' money for its intended purpose; and
- MCM was a valid investor and purchaser of mortgage loans.

26. Defendants knew these representations were false when they were made. Defendants made the representations with the intent that Citizens rely on them. Citizens justifiably relied on the representations by wiring money to purchase participation interests in what it believed to be valid, secured loans.

27. The transactions at issue involved real estate within the scope of Texas Business and Commerce Code § 27.01.

28. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of Defendants' actions.

**COUNT 2: CIVIL THEFT**

29. The actions of Defendants constitute civil theft because Defendants knowingly and without effective consent appropriated money belonging to Citizens for the purpose of using that property for their own benefit.



30. Defendants deceptively induced Citizens to wire money to purchase fictitious interests in the Phantom Loans. Defendants misappropriated at least \$3,872,745 in funds that belong to Citizens.

31. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of Defendants' actions.

**COUNT 3: FRAUDULENT INDUCEMENT**

32. Defendants made false representations to Citizens to induce Citizens to purchase phantom interests in fictitious mortgage loans, including that:

- Montage originated, delivered, marketed, and sold lawful, valid interests in secured mortgage loans on legitimate residential properties to Citizens;
- title was secured on the properties securing the loans;
- a valid escrow arrangement was established to hold and direct Citizens' money for its intended purpose; and
- MCM was a valid investor and purchaser of mortgage loans.

33. The representations were material. Defendants knew the representations were false when they were made, and made the representations with the intent that Citizens rely on them. Citizens justifiably relied on the representations before funding the Phantom Loans. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of Defendants' actions.

**COUNT 4: MONEY HAD AND RECEIVED**

34. Defendants hold money that, in equity and good conscience, belongs to Citizens. Specifically, Defendants defrauded Citizens into wiring money to purchase fictitious interests in the Phantom Loans and stole the money. Citizens is entitled to recover this money from Defendants.

**COUNT 5: NEGLIGENCE**

35. Defendants owed a duty of care to Citizens. Defendants failed to exercise ordinary care and acted negligently by engaging in the conduct addressed in Counts 1, 2, 3, 4, 6, and 7. Citizens has been injured as a proximate result of Defendants' negligence in an amount to be more fully demonstrated at trial.

**COUNT 6: CONSPIRACY**

36. Defendants acted pursuant to a common scheme designed to steal money from Citizens. Defendants committed overt acts in furtherance of the common scheme by, among other things, (a) making false representations to Citizens about the validity and marketability of the Phantom Loans and the use of Citizens' money and (b) delivering false loan documents and security instruments to Citizens. Defendants are jointly and severally liable for their tortious conduct. Citizens has been injured as a proximate result of the conspiracy in an amount to be more fully demonstrated at trial.

**COUNT 7: AIDING AND ABETTING**

37. Defendants acted with knowledge of each other's tortious conduct, as described above, and provided substantial assistance and encouragement to each other to effectuate their respective tortious acts. Defendants were aware of their role as part of these tortious activities at the time of providing the assistance. Defendants are therefore liable for aiding and abetting the tortious acts alleged herein. Citizens has been injured as a proximate result of Defendants actions in an amount to be more fully demonstrated at trial.

**COUNT 8: UNJUST ENRICHMENT / CONSTRUCTIVE TRUST**

38. Defendants committed fraud against Citizens. Defendants wrongfully stole money from Citizens by creating, delivering, and selling Citizens fake interests in the Phantom Loans. Accordingly, Citizens seeks the remedy of unjust enrichment because Defendants have

been unjustly enriched as a result of their actions. Citizens also seeks the remedy of a constructive trust related to these funds.

**COUNT 9: EXEMPLARY DAMAGES**

39. Defendants committed the tortious actions described herein with malice, gross negligence, and fraud, as those terms are defined by Chapter 41 of the Texas Civil Practice and Remedies Code. Therefore, Citizens is entitled to, and requests, an award of exemplary damages in an amount the trier of fact finds sufficient. *See* TEX. CIV. PRAC. & REM. CODE § 41.001, *et seq.*; TEX. BUS. & COMM. CODE § 27.01, *et seq.*

**COUNT 10: BREACH OF CONTRACT**

40. Citizens and Montage entered binding, enforceable contracts with Montage. Citizens fully performed its obligations under the Agreements. Montage breached the Agreements by, among other things, failing to perform the obligations set forth above in Paragraphs 17 and 18. Citizens has been injured as a proximate result of Montage's breach of contract in an amount to be more fully demonstrated at trial.

**REQUEST FOR ATTORNEYS' FEES**

41. Pursuant to Sections 38.001 and 134.001, *et seq.* of the Texas Civil Practice and Remedies Code, Section 27.001 of the Texas Business and Commerce Code, and the Agreement, is entitled to recover its reasonable attorneys' fees incurred as a result of bringing this action.

**JURY DEMAND**

42. Citizens requests trial by jury on all claims

**PRAYER**

**WHEREFORE**, Citizens requests that Defendants be cited to appear and answer and that on final hearing, Citizens have judgment against Defendants, jointly and severally for: actual damages, special or consequential damages, statutory damages, exemplary damages, a

constructive trust, disgorgement of all undue profits obtained by Defendants, pre-judgment interest, post-judgment interest, reasonable and necessary attorneys' fees for pre-trial, trial, all appeals, and petitions for review, costs of suit, and all other appropriate relief to which Citizens may be entitled in law or equity.

Respectfully submitted,

**BELL NUNNALLY & MARTIN LLP**

By: /s/ Christopher B. Trowbridge  
Christopher B. Trowbridge  
ctrowbridge@bellnunnally.com  
Texas Bar No. 24008182  
Kristopher D. Hill  
Texas Bar No. 24066674  
khill@bellnunnally.com

3232 McKinney Avenue, Suite 1400  
Dallas, Texas 75204-2429  
Telephone: (214) 740-1400  
Telecopy: (214) 740-1499

**ATTORNEYS FOR PLAINTIFF  
CITIZENS STATE BANK**

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BELLNUNNALLY

FILED  
MCLENNAN COUNTY  
12/8/2017 11:17 AM  
JON R. GIMBLE  
DISTRICT CLERK  
STEPHANIE L. FULSOM  
TEL: 214.263.6676  
FAX: 214.740.1499  
SFULSOM@BELLNUNNALLY.COM

December 8, 2017

Maxine Barton

VIA E-FILE

District Clerk's Office  
414th Judicial District Court  
McLennan County  
501 Washington Avenue, Suite 300  
Dallas, Texas 76701

Re: Cause No. 2017-4071-5, *Citizens State Bank v. Michael Scott Leslie, Montage Mortgage, LLC, Snowberry Settlements, LLC, and Mortgage Capital Management, LLC*; in the 414<sup>th</sup> District Court of McLennan County, Texas

Dear Clerk:

We are writing to request a *rush* issuance of citations by the court. A file-stamped copy of the petition is attached. The parties are listed below:

Michael Scott Leslie  
6308 Snowberry Lane  
Niwot, Colorado 80503

Montage Mortgage, LLC  
c/o Registered Agent AML  
805 Country Club Drive  
Heath, Texas 75032

Snowberry Settlements, LLC  
c/o Registered Agent Barbara Stricklin  
6308 Snowberry Lane  
Niwot, Colorado 80503

Mortgage Capital Management, LLC  
c/o Registered Agent Rick Jenkins  
5200 S. Ulster Street, Suite 1504  
Denver, Colorado 80111

Once the citations are ready, please contact Kris Hill on his cell at (214) 263-5337 and he will pick up from you.

Please contact me should you have any questions. Thank you for your assistance in this matter.

Sincerely,

Stephanie L. Fulsom  
Assistant to Kristopher D. Hill

Enclosures

7139.17 3656734 1 DOCX

**CITATION**

**PAPER# 1 & 2  
ATTY**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**TO: MICHAEL SCOTT LESLIE, DEFENDANT - 6308 SNOWBERRY LANE, NIWOT, COLORADO 80503, BY  
SERVING THE STATUTORY AGENT, THE TEXAS SECRETARY OF STATE, AT CITATIONS UNIT, P.O. BOX  
12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

**Plaintiff**

**VS.**

**MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC,  
A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY  
SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY  
COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A  
COLORADO LIMITED LIABILITY COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: ORIGINAL PETITION**

**Pleading File Date: DECEMBER 6, 2017**

**Cause No: 2017-4071-5**

**NOTICE**

***You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and the above pleading, a default judgment may be taken against you.***

The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.**

**Issue Date: DECEMBER 8, 2017.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

**Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 800 Annex  
Waco, McLennan County, Texas 76701**

**By:  Deputy  
MAXINE BARTON**

**RETURN OF SERVICE**

Style: **CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY**

Cause No: **2017-4071-5**

Court: **414TH JUDICIAL DISTRICT**

Paper#: **1 & 2**

Pleading: **ORIGINAL PETITION**

Came to hand on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_M. and executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by delivering to the party designated in the citation, to-wit:

\_\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_M; in person, a true copy of this citation with a true and correct copy of the pleading attached thereto, having first endorsed on such copy of said citation the date of delivery.

FEES: Serving one (1) copy \_\_\_\_\_

Total \$ \_\_\_\_\_

**NO SHERIFF OR CONSTABLE** \_\_\_\_\_ County, Texas  
**FEES COLLECTED**

By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

and having attempted on \_\_\_\_\_

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my date of birth is \_\_\_\_\_, and my address is \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. Executed in \_\_\_\_\_ County, State of Texas, on the \_\_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year)

\_\_\_\_\_  
(Signature) Declarant"



PAPER# 3  
ATTY

COPY

**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**TO: MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEFENDANT - BY SERVING ITS REGISTERED AGENT, MICHAEL CROUSE, AMERICAN MORTGAGE LICENSING, LLC, AT 805 COUNTRY CLUB DR., HEATH, TEXAS 75032**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

Plaintiff

**VS.**

**MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC,  
A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY  
SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY  
COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A  
COLORADO LIMITED LIABILITY COMPANY**

Defendants

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: ORIGINAL PETITION**

**Pleading File Date: DECEMBER 6, 2017**

**Cause No: 2017-4071-5**

**NOTICE**

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The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.**

**Issue Date: DECEMBER 8, 2017.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76781

By: 

**MAXINE BARTON**

Deputy

10

**RETURN OF SERVICE**

Style: **CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY**

Cause No: **2017-4071-S**

Court: **414TH JUDICIAL DISTRICT**

Paper#: **3**

Pleading: **ORIGINAL PETITION**

Came to hand on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_M. and executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by delivering to the party designated in the citation, to-wit:

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FEES: Serving one (1) copy

Total \$ \_\_\_\_\_

**NO SHERIFF OR CONSTABLE  
FEES COLLECTED**

\_\_\_\_\_ County, Texas

By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

and having attempted on \_\_\_\_\_

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my

date of birth is \_\_\_\_\_, and my address is \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. Executed in \_\_\_\_\_ County, State of Texas, on the \_\_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year)

\_\_\_\_\_ (Signature) Declarant"

PAPER# 4 & 5  
ATTY

**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**TO: SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, DEFENDANT - BY SERVING ITS REGISTERED AGENT, BARBARA STRICKLIN, 6308 SNOWBERRY LANE, NIWOT, COLORADO 80503, BY SERVING THE TEXAS SECRETARY OF STATE, AT CITATIONS UNIT, P.O. BOX 12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

Plaintiff

**VS.**

**MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC,  
A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY  
SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY  
COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A  
COLORADO LIMITED LIABILITY COMPANY**

Defendants

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: ORIGINAL PETITION**

**Pleading File Date: DECEMBER 6, 2017**

**Cause No: 2017-4071-5**

**NOTICE**

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**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.**

**Issue Date: DECEMBER 8, 2017.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 308 Annex  
Waco, McLennan County, Texas 76701

By:  Deputy  
**MAXINE BARTON**

**RETURN OF SERVICE**

Style: **CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY**

Cause No: **2017-4071-5**

Court: **414TH JUDICIAL DISTRICT**

Paper#: **4 & 5**

Pleading: **ORIGINAL PETITION**

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Total \$ \_\_\_\_\_ County, Texas

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FEES COLLECTED**

By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

and having attempted on \_\_\_\_\_

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\_\_\_\_\_  
(Signature) Declarant"

PAPER# 4 & 5  
ATTY

**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**TO: SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, DEFENDANT - BY SERVING ITS REGISTERED AGENT, BARBARA STRICKLIN, 6308 SNOWBERRY LANE, NIWOT, COLORADO 80503, BY SERVING THE TEXAS SECRETARY OF STATE, AT CITATIONS UNIT, P.O. BOX 12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

**GREETINGS:**

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**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

Plaintiff

**VS.**

**MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY**

Defendants

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: ORIGINAL PETITION**

**Pleading File Date: DECEMBER 6, 2017**

**Cause No: 2017-4071-5**

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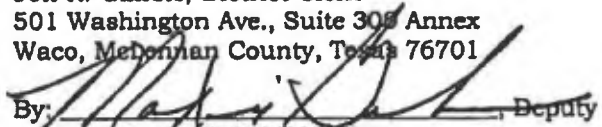
The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.**

**Issue Date: DECEMBER 8, 2017.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 305 Annex  
Waco, McLennan County, Texas 76701

By:  Deputy  
**MAXINE BARTON**

**RETURN OF SERVICE**

Style: **CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY**

Cause No: **2017-4071-5**

Court: **414TH JUDICIAL DISTRICT**

Paper#: **4 & 5**

Pleading: **ORIGINAL PETITION**

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FEES: Serving one (1) copy

Total \$ \_\_\_\_\_ NO SHERIFF OR CONSTABLE FEES COLLECTED \_\_\_\_\_ County, Texas  
By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

and having attempted on \_\_\_\_\_.

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my date of birth is \_\_\_\_\_, and my address is \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. Executed in \_\_\_\_\_ County, State of Texas, on the \_\_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year)

\_\_\_\_\_  
(Signature) Declarant"



PAPER# 6 & 7  
ATTY

8072

**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**TO: MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY, DEFENDANT - BY SERVING ITS REGISTERED AGENT, RICK JENKINS, 5200 S. ULSTER STREET, SUITE 1504, DENVER, COLORADO 80111, BY SERVING THE TEXAS SECRETARY OF STATE, AT CITATIONS UNIT, P.O. BOX 12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

Plaintiff

**VS.**

**MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY**

Defendants

**Court: 414TH JUDICIAL DISTRICT  
Pleading: ORIGINAL PETITION  
Pleading File Date: DECEMBER 6, 2017  
Cause No: 2017-4071-5**

**NOTICE**

*You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and the above pleading, a default judgment may be taken against you.*

The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.  
Issue Date: DECEMBER 8, 2017.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701

By: 

**MAXINE BARTON**

Deputy

to



**RETURN OF SERVICE**

Style: **CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY**

Cause No: **2017-4071-5**

Court: **414TH JUDICIAL DISTRICT**

Paper#: **6 & 7**

Pleading: **ORIGINAL PETITION**

Came to hand on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_M. and executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by delivering to the party designated in the citation, to-wit:

at \_\_\_\_\_ o'clock \_\_\_\_M; in person, a true copy of this citation with a true and correct copy of the pleading attached thereto, having first endorsed on such copy of said citation the date of delivery.

FEES: Serving one (1) copy

Total \$ \_\_\_\_\_ County, Texas

NO SHERIFF OR CONSTABLE  
FEES COLLECTED By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

and having attempted on \_\_\_\_\_

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my date of birth is \_\_\_\_\_, and my address is \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. Executed in \_\_\_\_\_ County, State of Texas, on the \_\_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year)

\_\_\_\_\_  
(Signature) Declarant"

PAPER# 6 & 7  
ATTY

**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**TO: MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY, DEFENDANT - BY SERVING ITS REGISTERED AGENT, RICK JENKINS, 5200 S. ULSTER STREET, SUITE 1504, DENVER, COLORADO 80111, BY SERVING THE TEXAS SECRETARY OF STATE, AT CITATIONS UNIT, P.O. BOX 12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

Plaintiff

**VS.**

**MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC,  
A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY  
SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY  
COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A  
COLORADO LIMITED LIABILITY COMPANY**

Defendants

**Court: 414TH JUDICIAL DISTRICT  
Pleading: ORIGINAL PETITION  
Pleading File Date: DECEMBER 6, 2017  
Cause No: 2017-4071-5**

**NOTICE**

*You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and the above pleading, a default judgment may be taken against you.*

The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas,  
Issue Date: DECEMBER 8, 2017.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701

By:  Deputy  
**MAXINE BARTON**

**RETURN OF SERVICE**

Style: **CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY**

Cause No: **2017-4071-5**

Court: **414TH JUDICIAL DISTRICT**

Paper#: **6 & 7**

Pleading: **ORIGINAL PETITION**

Came to hand on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_M. and executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by delivering to the party designated in the citation, to-wit:

at \_\_\_\_\_ o'clock \_\_\_\_\_M; in person, a true copy of this citation with a true and correct copy of the pleading attached thereto, having first endorsed on such copy of said citation the date of delivery.

FEES: Serving one (1) copy

Total \$ \_\_\_\_\_ County, Texas

NO SHERIFF OR CONSTABLE  
FEES COLLECTED

By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

and having attempted on \_\_\_\_\_

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my

date of birth is \_\_\_\_\_ and my address is \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. Executed in \_\_\_\_\_ County, State of Texas, on the \_\_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year)

\_\_\_\_\_  
(Signature) Declarant"

[Print this page](#)**Case # 2017-4071-5 - CITZENS STATE BANK VS  
MICHAEL SCOTT LESLIE ET AL (414TH)****Case Information**

|                   |                                                     |
|-------------------|-----------------------------------------------------|
| Location          | McLennan County - District Clerk                    |
| Date Filed        | 12/08/2017 11:17:33 AM                              |
| Case Number       | 2017-4071-5                                         |
| Case Description  | CITZENS STATE BANK VS MICHAEL SCOTT LESLIE<br>ET AL |
| Assigned to Judge | 414TH                                               |
| Attorney          | Christopher Trowbridge                              |
| Firm Name         | Bell Nunnally & Martin LLP                          |
| Filed By          | Judy Garrison                                       |
| Filer Type        | Not Applicable                                      |

**Fees**

|                                |          |
|--------------------------------|----------|
| Convenience Fee                | \$4.51   |
| Total Court Case Fees          | \$0.00   |
| Total Court Party Fees         | \$0.00   |
| Total Court Filing Fees        | \$154.00 |
| Total Court Service Fees       | \$2.00   |
| Total Filing & Service<br>Fees | \$0.00   |
| Total Service Tax Fees         | \$0.00   |
| Total Provider Service<br>Fees | \$0.00   |
| Total Provider Tax Fees        | \$0.00   |
| Grand Total                    | \$160.51 |

**Payment**

|                      |             |
|----------------------|-------------|
| Account Name         | BN Account  |
| Transaction Amount   | \$160.51    |
| Transaction Response | Approved    |
| Transaction ID       | 32802068    |
| Order #              | 021171926-0 |

*Michael Burton*

DEPUTY

JON R. GIMBLE  
DISTRICT CLERK  
MCLENNAN CO. TX.

2017 DEC -8 AM 11:36

**FILED**

## Envelope Details

Page 2 of 3

**No Fee Documents**

|                    |                                             |
|--------------------|---------------------------------------------|
| Filing Type        | EFileAndServe                               |
| Filing Code        | No Fee Documents                            |
| Filing Description | Expedited request for issuance of Citations |
| Reference Number   | 7139.17                                     |
| Comments           |                                             |
| Status             | Accepted                                    |
| Accepted Date      | 12/08/2017 11:31:01 AM                      |
| <b>Fees</b>        |                                             |
| Court Fee          | \$154.00                                    |
| Service Fee        | \$0.00                                      |

**Optional Services**

|                   |                       |
|-------------------|-----------------------|
| >Issue Citation   | \$56.00 (7 x \$8.00)  |
| >Copies - Service | \$98.00 (98 x \$1.00) |

**Documents**

|                      |                                                                            |                   |                      |
|----------------------|----------------------------------------------------------------------------|-------------------|----------------------|
| <i>Lead Document</i> | 2017-12-08 Ltr to Clerk<br>requesting citations with Petition attached.pdf | <u>[Original]</u> | <u>[Transmitted]</u> |
|----------------------|----------------------------------------------------------------------------|-------------------|----------------------|

**eService Details**

| Name/Email                                             | Firm | Service Type | Status | Served | Date/Time<br>Opened          |
|--------------------------------------------------------|------|--------------|--------|--------|------------------------------|
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |      | EServe       | Sent   | Yes    | Not<br>Opened                |
| Kristopher D Hill<br>khill@bellnunnally.com            |      | EServe       | Sent   | Yes    | Not<br>Opened                |
| Brent A Turman<br>bturman@bellnunnally.com             |      | EServe       | Sent   | Yes    | Not<br>Opened                |
| Judy Garrison<br>jgarrison@bellnunnally.com            |      | EServe       | Sent   | Yes    | Not<br>Opened                |
| Stephanie Fulsom<br>sfulsom@bellnunnally.com           |      | EServe       | Sent   | Yes    | 12/08/2017<br>11:18:51<br>AM |

FILED  
MCLENNAN COUNTY  
12/27/2017 10:24 AM  
JON R. GIMBLE  
DISTRICT CLERK  
Tiffany Crim

## RETURN OF SERVICE

Style: CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A COLORADO LIMITED LIABILITY COMPANY

Cause No: 2017-4071-5

Court: 414TH JUDICIAL DISTRICT

Paper#: 3

Pleading: ORIGINAL PETITION

Came to hand on the 13<sup>th</sup> day of Dec., 2017 at 4 o'clock P.M. and executed on the 14<sup>th</sup> day of Dec., 2017 by delivering to the party designated in the citation, to-wit:

Montage Mortgage, LLC By and through its Registered Agent, American Mortgage Licensing, LLC - Michael Crouse, President

at 5:55 o'clock P.M. in person, a true copy of this citation with a true and correct copy of the pleading attached thereto, having first endorsed on such copy of said citation the date of delivery.

FEES: Serving one (1) copy

Total \$ \_\_\_\_\_

NO SHERIFF OR CONSTABLE  
FEES COLLECTED

By \_\_\_\_\_

#5307

Exp. 6/30/18

Dallas County, Texas

## NOT EXECUTED FOR THE FOLLOWING REASONS \_\_\_\_\_

and having attempted on \_\_\_\_\_

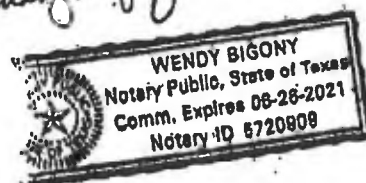
\*My name is Roger (First) \_\_\_\_\_ (Middle) Bigony (Last), my date of birth is 7-22-54, and my address is \_\_\_\_\_

9010 Briarcrest Dr., Rowlett, Tx. 75089

I declare under penalty of perjury that the foregoing is true and correct. Executed in Dallas County, State of Texas, on the 15<sup>th</sup> day of Dec. (Month) 2017 (Year)

(Signature) Declarant

State of Texas County of Dallas  
Subscribed before me on 15<sup>th</sup> day of Dec. 2017  
Wendy Bigony, Public





**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**PAPER# 3  
ATTY**

**TO: MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEFENDANT - BY SERVING ITS REGISTERED AGENT, MICHAEL CROUSE, AMERICAN MORTGAGE LICENSING, LLC, AT 805 COUNTRY CLUB DR., HEATH, TEXAS 75032**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

**Plaintiff**

**VS.**

**MICHAEL SCOTT LESLIE, MONTAGE MORTGAGE, LLC,  
A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY  
SETTLEMENTS, LLC, A COLORADO LIMITED LIABILITY  
COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A  
COLORADO LIMITED LIABILITY COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: ORIGINAL PETITION**

**Pleading File Date: DECEMBER 6, 2017**

**Cause No: 2017-4071-5**

**NOTICE**

***You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and the above pleading, a default judgment may be taken against you.***

The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.**

**Issue Date: DECEMBER 8, 2017.**

**CHRISTOPHER B. TROWERIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

**Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 500 Annex  
Waco, McLennan County, Texas 76781**

**By:**



**MAXINE BARTON**

**Deputy**



## Envelope Details

Page 1 of 2

[Print this page](#)**Case # 2017-4071-5****Case Information**

Location McLennan County - District Clerk  
 Date Filed 12/27/2017 10:24:33 AM  
 Case Number 2017-4071-5  
 Case Description  
 Assigned to Judge  
 Attorney Kristopher Hill  
 Firm Name Bell Nunnally & Martin LLP  
 Filed By Stephanie Folsom  
 Filer Type Not Applicable

**Fees**

Convenience Fee \$0.06  
 Total Court Case Fees \$0.00  
 Total Court Party Fees \$0.00  
 Total Court Filing Fees \$0.00  
 Total Court Service Fees \$2.00  
 Total Filing & Service Fees \$0.00  
 Total Service Tax Fees \$0.00  
 Total Provider Service Fees \$0.00  
 Total Provider Tax Fees \$0.00  
 Grand Total \$2.06

**Payment**

Account Name BN Account  
 Transaction Amount \$2.06  
 Transaction Response Approved  
 Transaction ID 33252763  
 Order # 021481717-0

JON R. GIMBLE  
 DISTRICT CLERK  
 MCLENNAN CO. TX.  
 2017 DEC 27 AM 11:13  
**FILED**

**No Fee Documents**

Filing Type EFileAndServe  
 Filing Code No Fee Documents  
 Filing Description Return of Service - Montage Mortgage LLC  
 Reference Number 7139.17

**Comments**

Status Accepted  
 Accepted Date 12/27/2017 11:08:19 AM

**Fees**

## Envelope Details

Page 2 of 2

Court Fee \$0.00

Service Fee \$0.00

**Documents**

*Lead Document*      Return of Service of Montage Mortgage LLC.pdf      [Original] [Transmitted]

**eService Details**

| Name/Email                                             | Firm | Service Type | Status | Served | Date/Time<br>Opened       |
|--------------------------------------------------------|------|--------------|--------|--------|---------------------------|
| Kristopher D Hill<br>khill@bellnunnally.com            |      | EServe       | Sent   | Yes    | Not Opened                |
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |      | EServe       | Sent   | Yes    | Not Opened                |
| Brent A Turman<br>bturman@bellnunnally.com             |      | EServe       | Sent   | Yes    | 12/27/2017<br>10:25:36 AM |
| Judy Garrison<br>jgarrison@bellnunnally.com            |      | EServe       | Sent   | Yes    | Not Opened                |
| Stephanie Fulsom<br>sfulsom@bellnunnally.com           |      | EServe       | Sent   | Yes    | Not Opened                |

FILED  
MCLENNAN COUNTY  
7/6/2018 1:23 PM  
JON R. GIMBLE  
DISTRICT CLERK

CAUSE NO. 2017-4071-5

Maxine Barton

|                             |   |                          |
|-----------------------------|---|--------------------------|
| CITIZENS STATE BANK,        | § | IN THE DISTRICT COURT OF |
|                             | § |                          |
| Plaintiff,                  | § |                          |
|                             | § |                          |
| v.                          | § |                          |
|                             | § |                          |
| MICHAEL SCOTT LESLIE,       | § | MCLENNAN COUNTY, TEXAS   |
| MONTAGE MORTGAGE, LLC,      | § |                          |
| SNOWBERRY SETTLEMENTS, LLC, | § |                          |
| and MORTGAGE CAPITAL        | § |                          |
| MANAGEMENT, LLC,            | § |                          |
|                             | § |                          |
| Defendants.                 | § | 414th JUDICIAL DISTRICT  |

**FIRST AMENDED ORIGINAL PETITION**

Plaintiff Citizens State Bank ("Citizens") complains of Defendants Michael Scott Leslie ("Leslie"), Montage Mortgage, LLC ("Montage"), Snowberry Settlements, LLC ("Snowberry"), and Mortgage Capital Management, LLC ("MCM") (collectively, "Defendants").

**PRELIMINARY STATEMENT**

1. This case is based on a scam orchestrated by Leslie and his tangled web of affiliates—Montage, Snowberry, and MCM—to steal at least \$3,872,745 from Citizens. While the depth of Leslie's fraudulent scam runs deep, he has specifically confessed to inducing Citizens into wiring funds to purchase phantom interests in 12 fictitious mortgage loans.

**DISCOVERY CONTROL PLAN**

2. Discovery shall be conducted under Level 2. *See* TEX. R. CIV. P. 190.3.

**PARTIES**

3. Plaintiff Citizens is a Texas financial institution.

4. Defendant Leslie is a nonresident natural person who resides at 6308 Snowberry Lane, Niwot, Colorado 80503. Leslie has done business in Texas by forming and operating businesses in Texas, entering contracts to perform obligations in Texas, and committing torts

in Texas. This lawsuit arises from Leslie's business in Texas and torts committed in Texas. Although Leslie has engaged in business in the State of Texas, he does not maintain a home address or regular place of business in Texas. Leslie also does not maintain a designated agent for service of process in Texas. Leslie may be served with process by serving a copy of this petition and citation on the Secretary of State of Texas, Leslie's statutorily designated agent for service of process, at Citations Unit, P.O. Box 12079, Austin, Texas 78711-2079 or 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall mail a copy of the petition and citation to Leslie's home address at 6308 Snowberry Lane, Niwot, Colorado 80503.

5. Defendant Montage is a Texas limited liability company authorized to conduct business in Texas. Montage may be served with process through its registered agent, American Mortgage Licensing, LLC ("AML"), at 805 Country Club Dr., Heath, Texas 75032. AML's registered agent, Michael Crouse, may be served with process on behalf of AML and Montage at 805 Country Club Dr., Heath, Texas 75032, or wherever he may be found.

6. Defendant Snowberry Settlements, LLC is a foreign, nonresident Colorado limited liability company organized and formed by Leslie and doing business in Texas by contracting to perform an obligation in Texas and committing torts in Texas. This lawsuit arises from Snowberry's business in Texas and torts committed in Texas. Although Snowberry has engaged in business in the State of Texas, Snowberry does not maintain a regular place of business in Texas. Snowberry also does not maintain a designated agent for service of process in Texas. Therefore, Snowberry may be served with citation through the Secretary of State for the State of Texas, its statutorily designated agent for service of process, at Citations Unit, P.O. Box 12079, Austin, Texas 78711-2079 or 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall mail a copy of the citation and the petition to Snowberry at Snowberry Settlements, LLC's home office located at 957 McCaslin Blvd., Suite 200, Louisville, CO 80027.

7. Defendant Mortgage Capital Management, LLC is a foreign, nonresident Colorado limited liability company organized and formed by Leslie and doing business in Texas by contracting to perform an obligation in Texas and committing torts in Texas. This lawsuit arises from MCM's business in Texas and torts committed in Texas. Even though MCM has engaged in business in the State of Texas, MCM does not maintain a regular place of business in Texas. MCM also does not maintain a designated agent for service of process in Texas. Therefore, MCM may be served with citation through the Secretary of State for the State of Texas, its statutorily designated agent for service of process, at Citations Unit, P.O. Box 12079, Austin, Texas 78711-2079 or 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall mail a copy of the citation and the petition to MCM at its home office, located at 2121 Eisenhower Avenue, Suite 200, Alexandria, Virginia 22314.

#### **JURISDICTION**

8. Citizens seeks monetary relief over \$1,000,000; and the damages sought by Citizens are within the jurisdictional limits of the court. *See* Tex. R. Civ. P. 47(b), (c)(5).

#### **VENUE**

9. Venue is proper in McLennan County, Texas because a substantial part of the events or omissions giving rise to the claims asserted occurred in McLennan County, Texas.

#### **FACTUAL BACKGROUND**

##### **A. Citizens State Bank**

10. Citizens is a financial institution that has provided community-banking services to customers throughout central and southeast Texas for over 98 years. Citizens' core back-office departments, including its finance, accounting, human resources, marketing, and warehouse lending departments, are based in McLennan County, Waco, Texas.

11. Citizens operates a warehouse mortgage lending program, internally referred to as its "Temporary Mortgage Participation Program" or "TMPP." In a typical TMPP transaction, Citizens provides a funding facility to a licensed mortgage originator (the "Client") in exchange for a loan-participation interest in a residential mortgage loan and related security instrument submitted by the Client. The funding facility allows the Client to fund mortgage loans to borrowers and then sell the loans—generally, 90-45 days later—on the secondary market to a mortgage investor. Once the Client sells the loan to an investor on the secondary market, Citizens is repaid the principal amount it paid for its participation interest, plus interest for the temporary time the loan was held by the Client.

**B. Leslie's Tangled Web of Affiliates**

12. Leslie formed Montage in Texas. Leslie represented to Citizens that Montage is licensed to originate mortgage loans in Texas and other states.

13. Leslie formed Snowberry in 2015. Leslie represented to Citizens that Snowberry is a title company engaged in the business of maintaining escrow accounts for money provided to fund mortgage loans. Snowberry's listed registered agent address is the same as the address of Leslie's personal residence.

14. Leslie formed MCM in 2015. Leslie represented to Citizens that MCM is an investor in mortgage loans.

**C. Leslie lures Citizens into a warehouse lending relationship**

15. In 2014, Montage acquired Ameritrust Mortgage, Inc., which had been a TMPP client of Citizens since 2010. Soon after the acquisition, Leslie sought to assume Ameritrust's role in the TMPP by painting the picture of being an experienced mortgage banker expanding his business with a well-thought-out strategic plan.



16. Citizens and Montage subsequently entered a Loan Participation Agreement, Participation Administrating Agreement, and Amended and Restated Loan Participation Agreement (collectively, the "Agreements"), which enabled Montage to offer Citizens opportunities to purchase 99% participation interests in residential mortgage loans and security instruments originated by Montage. In exchange for Citizens purchasing a 99% participation interest in a Montage loan, the Agreements require Montage to, among other things: (a) deliver to Citizens the executed loan and security instruments and required underwriting documentations executed by the borrower; and (b) immediately upon receipt of any payment from an investor, repay the principal loan amount funded by Citizens plus Citizens' respective share of the interest accrued on the loan during the temporary time it was held by Montage.

17. Montage provided numerous express warranties to Citizens under the Agreements, including:

- Montage (i) is the sole and lawful owner of each Mortgage Loan, has good and marketable title thereto, free and clear of all security interests and liens, pledges, charges, encumbrances, or any interests of any other party; and (ii) has the full right and authority to assign and transfer each Mortgage Loan and the Participation Interest therein to [Citizens] ...
- The Mortgage Loan has been in accordance with loan underwriting standards and guidelines of Citizens ...
- Each Mortgage Note has been executed by the Borrower, each Borrower is fully competent to execute the Mortgage Note and the Mortgage Note is genuine and is legal and enforceable against Borrower in accordance with its terms.
- The Mortgage Loan was made pursuant to and in compliance with all applicable federal and state laws, rules, and regulations ...
- All copies of any Collateral Documents or Loan Papers furnished to Citizens are accurate and complete copies of the originals of such documents or papers.
- Montage has no knowledge at the time of the sale of each Participation Interest of any conditions which would impair the Mortgage Loan. No

condition exists with respect to such Mortgage Loan which could give rise to any right of rescission, set-off, counterclaim, or defense with regard to the Mortgage Loan ...

- With respect to any Mortgage Loan which provides for escrows, all escrows have been properly collected and disbursed and a proper escrow account analysis has been prepared and timely delivered to the Borrower.
- There are no irregularities, deficiencies, defects, or falsifications concerning the Mortgage Loan ...
- Montage has full power and authority to originate, market, sell and service each Subject Mortgage Loan and to enter into and consummate all transactions contemplated by this Agreement and to enter into and consummate all transactions contemplated by this Agreement ...

18. The Agreement contains security mechanisms to secure Citizens' purchases of participation interests, including the obligation that "[u]pon the default of any provision of the Agreement or the breach of any representation or warranty made by [Montage] ..., [Montage] shall be obligated to, and shall, immediately repurchase from Citizens the Participation Interest in the Mortgage Loan for the Repurchase Price."

19. Throughout Citizens' relationship with Ameritrust and Montage, Citizens purchased participation interests in over 1,400 loans totaling over \$287 million. In late 2015, Leslie began orchestrating mortgage transactions that involved Snowberry, as a purported settlement agent authorized to escrow funds and close loans, and MCM, as a purported mortgage investor. Uninformed of Leslie's tangled affiliation with Montage, Snowberry, and MCM, from October 2015 through October 2017, Citizens purchased 144 participation interests totaling \$31,908,808.88 in loans involving Leslie and his affiliates. Leslie never disclosed his or Montage's affiliation with Snowberry or MCM.

#### **D. Defendants' Scam Unravels**

20. In each of the transactions Leslie orchestrated to involve Montage, Snowberry, and MCM, Montage submitted a mortgage-loan package to Citizens that included underwriting

materials, together with an executed note and mortgage. In many cases, the purported borrower was a previous borrower of Montage who appeared to be seeking to refinance an original mortgage. As a result, Montage had significant information about the purported borrowers from previous loan packages. Defendants even provided Mortgage Identification Numbers assigned by the Mortgage Electronic Registration Systems and other identifying information to add underwriting credence to the transactions. Citizens paid for all of its participation interests in these loans by wiring money pursuant to Leslie's directions. Before CSB wired any money in these transactions, Leslie represented that MCM could serve as the ultimate secondary-market investor to purchase/settle the loans and send the sales proceeds to Citizens.

21. On October 17, 2017, Citizens informed Leslie over the phone that it needed to suspend its purchase of participation interests in Montage loans and desired to close out its existing pipeline of participation interests in 23 outstanding Montage loans. Realizing his scam was on the verge of ending, Leslie reached out later the same day and asked if he could travel from his home in Colorado to meet with Citizens' President the very next day. At the meeting the following day, Leslie confessed that only 11 of the 23 outstanding loans were legitimate and could be sold on the secondary market to pay off Citizens in the normal course of business. Leslie admitted that Citizens had purchased phantom participation interests in the remaining 12 outstanding loans (the "Phantom Loans") that would not be repaid. The reason why: Leslie secretly pocketed the money.

22. In reference to the Phantom Loans, Leslie specifically confessed:

- "You know we'll be able to pay off [the Phantom Loans] in a longer time frame. So what I'm gonna request from you is a 6-month to 12-month time frame to pay the rest of them off so — and I've got the — you know, I've got reasons for that, but I don't think we want to go into those .... I've got a big, giant, lawsuit against another company that's gonna settle ... out as soon as December. I'm gonna want up to 12 months if we can structure it that way. ... And [then] the bank will get their money."

- "There's been a giant number of mistakes that are gonna, you know — they're — if we can just structure a longer term pay out on the balance and give me a chance to get this lawsuit to the goal line, it's a real deal, it'll get you paid."
- "I have created massive problems by making mistakes that were not, you know, were not personally motivated or driven but it is what it is at this point. I mean I got — you know, so I got a problem and the way to fix the problem is to let the lawsuit manifest, you know, a settlement and then we get this knocked out."
- "Can I have 12 loans — or some way to structure something that gets us time to let that lawsuit pay. That's all we got. That's all I got .... I put myself in a bad position by making, you know, an original mistake that led to a thousand others ...."
- "I'm just here in front of you because, you know, I want you to see me as a regretful, remorseful person that's gonna — I'm gonna fix this if you give me a chance, or if the board gives me the chance, but I don't know how to handle it from here other than to come talk to you and I didn't — I hadn't sought legal advice. I haven't — you know what I mean? I don't know where it goes from here. I just know that you've got some loans that need to get paid and then — then we need to, if it's possible work out a time frame on these others and that what's I'm here to ask."

23. In response to these bombshells, Citizens asked Leslie: "Why won't [the Phantom Loans] pay off in the normal course of business." Leslie's incriminating response was:

They — they just — they won't. You know, they just won't and I don't know, you know, what language to use there. I don't want to dance around it. ... I don't know what I should say to you that would put you in a position where you have to go, you know, I'm trying to — I'm trying to play kind of a semantics game here that I'm not comfortable playing 'cause I've never been in this position before but you just don't want to dig deeper on these loans. You just don't. And you know there's a problem there. ... I think the less that the bank knows maybe the better. Because if the bank knows something the bank might have to disclose something ... and I don't want to put you in the position where you have to disclose or lie or whatever and maybe omission is as much the same thing but I don't know, I've never been in this position before. ... It's not good and it's not a good situation. I'm, you know, I'm prepared. You know I've already kind of met my maker on what I've done to try to solve all these problems and I've just created more problems.

Leslie confirmed the status of the Phantom Loans in the following exchange:

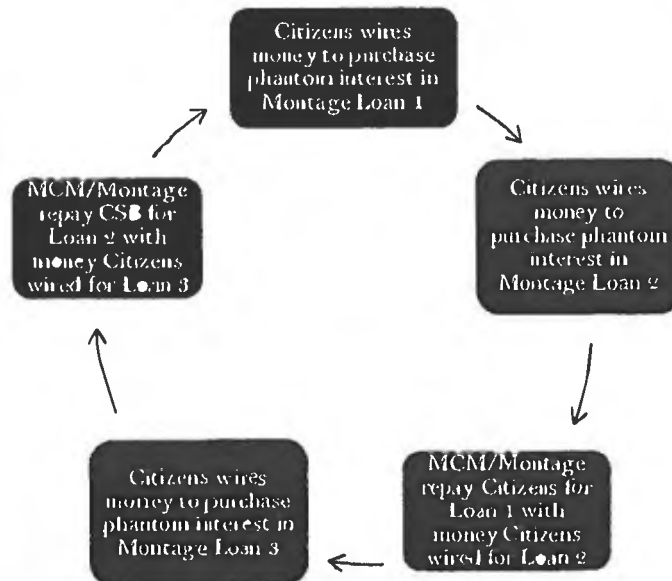
Citizens: "What I'm hearing [is] the only way to get the bank paid is based off of a lawsuit?"

Leslie: "Correct."

Citizens: "All right. So that's telling me then these loans are not going to pay. Are they real loans?"

Leslie: "I don't know what I should say or what I shouldn't say there. The loans are not gonna pay. ... I have no ability to make restitution of any sort right now. I mean, so if we — if this thing goes where a full everybody ripping everything apart and, you know, regulators come and, you know, authorities come and, you know, it — whatever happens to me but I just — there's nothing."

24. As a result of Leslie's confessions, Citizens conducted an investigation into its transaction history with Leslie and Montage. The investigation revealed that the litany of Leslie's "mistakes" likely amount to a large-scale scam that would have carried on indefinitely had Citizens not suspended its TMPP relationship with Montage. The scam appears to have relied on a continuous cycle of theft and fraud depicted in the following diagram:



When the music finally stopped on Leslie's musical-chairs game of fraud, Citizens was left holding \$3,872,746 worth of non-existent interests in the 12 Phantom Loans with no underlying property to serve as security. Defendants have failed and refused to repay Citizens for the funds

it wired for the Phantom Loans. All conditions precedent to enforcement of Citizens' claims have occurred or been waived or excused.

**COUNT 1: FRAUD / STATUTORY FRAUD**

25. Defendants made false representations to Citizens regarding the Phantom Loans.

Specifically, Leslie and Montage falsely represented, among other things, that they:

- originated, delivered, marketed, and sold lawful, valid interests in secured mortgage loans on legitimate residential properties to Citizens;
- secured title on the underlying residential properties;
- set up a valid escrow arrangement to hold and direct Citizens' money for its intended purpose; and
- MCM was a valid investor and purchaser of mortgage loans.

26. Defendants knew these representations were false when they were made.

Defendants made the representations with the intent that Citizens rely on them. Citizens justifiably relied on the representations by wiring money to purchase participation interests in what it believed to be valid, secured loans.

27. The transactions at issue involved real estate within the scope of Texas Business and Commerce Code § 27.01.

28. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of Defendants' actions.

**COUNT 2: CIVIL THEFT**

29. The actions of Defendants constitute civil theft because Defendants knowingly and without effective consent appropriated money belonging to Citizens for the purpose of using that property for their own benefit.



30. Defendants deceptively induced Citizens to wire money to purchase fictitious interests in the Phantom Loans. Defendants misappropriated at least \$3,872,745 in funds that belong to Citizens.

31. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of Defendants' actions.

#### **COUNT 3: FRAUDULENT INDUCEMENT**

32. Defendants made false representations to Citizens to induce Citizens to purchase phantom interests in fictitious mortgage loans, including that:

- Montage originated, delivered, marketed, and sold lawful, valid interests in secured mortgage loans on legitimate residential properties to Citizens;
- title was secured on the properties securing the loans;
- a valid escrow arrangement was established to hold and direct Citizens' money for its intended purpose; and
- MCM was a valid investor and purchaser of mortgage loans.

33. The representations were material. Defendants knew the representations were false when they were made, and made the representations with the intent that Citizens rely on them. Citizens justifiably relied on the representations before funding the Phantom Loans. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of Defendants' actions.

#### **COUNT 4: MONEY HAD AND RECEIVED**

34. Defendants hold money that, in equity and good conscience, belongs to Citizens. Specifically, Defendants defrauded Citizens into wiring money to purchase fictitious interests in the Phantom Loans and stole the money. Citizens is entitled to recover this money from Defendants.

**COUNT 5: NEGLIGENCE**

35. Defendants owed a duty of care to Citizens. Defendants failed to exercise ordinary care and acted negligently by engaging in the conduct addressed in Counts 1, 2, 3, 4, 6, and 7. Citizens has been injured as a proximate result of Defendants' negligence in an amount to be more fully demonstrated at trial.

**COUNT 6: CONSPIRACY**

36. Defendants acted pursuant to a common scheme designed to steal money from Citizens. Defendants committed overt acts in furtherance of the common scheme by, among other things, (a) making false representations to Citizens about the validity and marketability of the Phantom Loans and the use of Citizens' money and (b) delivering false loan documents and security instruments to Citizens. Defendants are jointly and severally liable for their tortious conduct. Citizens has been injured as a proximate result of the conspiracy in an amount to be more fully demonstrated at trial.

**COUNT 7: AIDING AND ABETTING**

37. Defendants acted with knowledge of each other's tortious conduct, as described above, and provided substantial assistance and encouragement to each other to effectuate their respective tortious acts. Defendants were aware of their role as part of these tortious activities at the time of providing the assistance. Defendants are therefore liable for aiding and abetting the tortious acts alleged herein. Citizens has been injured as a proximate result of Defendants actions in an amount to be more fully demonstrated at trial.

**COUNT 8: UNJUST ENRICHMENT / CONSTRUCTIVE TRUST**

38. Defendants committed fraud against Citizens. Defendants wrongfully stole money from Citizens by creating, delivering, and selling Citizens fake interests in the Phantom Loans. Accordingly, Citizens seeks the remedy of unjust enrichment because Defendants have been

unjustly enriched as a result of their actions. Citizens also seeks the remedy of a constructive trust related to these funds.

**COUNT 9: EXEMPLARY DAMAGES**

39. Defendants committed the tortious actions described herein with malice, gross negligence, and fraud, as those terms are defined by Chapter 41 of the Texas Civil Practice and Remedies Code. Therefore, Citizens is entitled to, and requests, an award of exemplary damages in an amount the trier of fact finds sufficient. *See* TEX. CIV. PRAC. & REM. CODE § 41.001, *et seq.*; TEX. BUS. & COMM. CODE § 27.01, *et seq.*

**COUNT 10: BREACH OF CONTRACT**

40. Citizens and Montage entered binding, enforceable contracts with Montage. Citizens fully performed its obligations under the Agreements. Montage breached the Agreements by, among other things, failing to perform the obligations set forth above in Paragraphs 17 and 18. Citizens has been injured as a proximate result of Montage's breach of contract in an amount to be more fully demonstrated at trial.

**REQUEST FOR ATTORNEYS' FEES**

41. Pursuant to Sections 38.001 and 134.001, *et seq.* of the Texas Civil Practice and Remedies Code, Section 27.001 of the Texas Business and Commerce Code, and the Agreement, is entitled to recover its reasonable attorneys' fees incurred as a result of bringing this action.

**JURY DEMAND**

42. Citizens requests trial by jury on all claims

**PRAYER**

**WHEREFORE**, Citizens requests that Defendants be cited to appear and answer and that on final hearing, Citizens have judgment against Defendants, jointly and severally for: actual damages, special or consequential damages, statutory damages, exemplary damages, a

constructive trust, disgorgement of all undue profits obtained by Defendants, pre-judgment interest, post-judgment interest, reasonable and necessary attorneys' fees for pre-trial, trial, all appeals, and petitions for review, costs of suit, and all other appropriate relief to which Citizens may be entitled in law or equity.

Respectfully submitted,

**BELL NUNNALLY & MARTIN LLP**

By: /s/ Christopher B. Trowbridge  
Christopher B. Trowbridge  
[ctrowbridge@bellnunnally.com](mailto:ctrowbridge@bellnunnally.com)  
Texas Bar No. 24008182  
Kristopher D. Hill  
Texas Bar No. 24066674  
[khill@bellnunnally.com](mailto:khill@bellnunnally.com)

3232 McKinney Avenue, Suite 1400  
Dallas, Texas 75204-2429  
Telephone: (214) 740-1400  
Telecopy: (214) 740-1499

**ATTORNEYS FOR PLAINTIFF  
CITIZENS STATE BANK**

3693674\_1.docx

## Certified Payments

Page 1 of 1

## PAYMENT DETAILS BY BUREAU

## CERTIFIED PAYMENTS - PRINT RECEIPT

All Transactions Approved

Bureau: 9155546 - McLennan County, TX District Clerk CNT

| Invoice Item              | Amount (USD) | Conv. Fee (USD) | Result   |
|---------------------------|--------------|-----------------|----------|
| Payment ID: 100171789250  | 96.00        | \$1.00          | Approved |
| Court Cost & Fees         |              |                 |          |
| Total Amounts + All Fees: | \$7.00       |                 |          |

## BILLING INFORMATION

Payment will be billed to:

Marionne Green

Card ending in ...6814 (Mastercard)

Processed 01/07/2018 8:19:46 AM CDT

## LEGAL NOTICE

Certified Payments provides a service for consumers and businesses to make payments via their credit card for various fees and costs and does not act as a Certified Payment Processor. The information on this receipt is for informational purposes only and does not constitute a payment. Please refer to the terms and conditions of the Certified Payments program for more information.

For any questions, please contact us at [certifiedpayments@certifiedpayments.com](mailto:certifiedpayments@certifiedpayments.com)  
 Legal Notice - <https://stage-quicksti.certifiedpayments.net/DigitalReceipt.aspx?BureauCode=9155546&T...>



FILED  
MCLENNAN COUNTY  
7/6/2018 4:06 PM  
JON R. GRABLE, CLERK  
JON R. GRABLE, CLERK  
7:00 AM  
FAX: 214.740.5787  
BTURMAN@BELLNUNNALLY.COM

July 6, 2018

Maxine Barton

VIA EFILE.TXCOURTS.GOV

ATTN: McLennan County District Clerk  
414th Judicial District Court  
501 Washington Ave., Suite 300, Courthouse Annex  
Waco, TX 76701

Re: Cause No. 2017-4071-5; *Citizens State Bank v. Michael Scott Leslie, et al.*;  
In the 414th Judicial District Court of McLennan County, Texas

To Whom It May Concern:

Please issue a Citation for service of *Plaintiff's First Amended Original Petition* for each of the Defendants listed below:

1. Michael Scott Leslie;
2. Snowberry Settlements, LLC; and
3. Mortgage Capital Management, LLC.

Payment to issue the Citations is tendered concurrently with this filing. Should you have any questions or concerns, please feel free to contact me at my direct number listed above. You may also directly contact my assistant, Tonya Stephenson, at (214) 880-6617.

Thank you in advance for your assistance.

Sincerely,

Brent A. Turman

BAT/tcs

3995100\_1.DOC / 07139 00018



## Envelope Details

Page 1 of 2

[Print this page](#)**Case # 2017-4071-5**Rush**Case Information**

Location McLennan County - District Clerk  
 Date Filed 7/6/2018 1:23 PM  
 Case Number 2017-4071-5  
 Case Description  
 Assigned to Judge  
 Attorney Christopher Trowbridge  
 Firm Name Bell Nunnally & Martin LLP  
 Filed By Tonya Stephenson  
 Filer Type Not Applicable

**Fees**

Convenience Fee \$1.97  
 Total Court Case Fees \$0.00  
 Total Court Party Fees \$0.00  
 Total Court Filing Fees \$66.00  
 Total Court Service Fees \$2.00  
 Total Filing & Service Fees \$0.00  
 Total Provider Service Fees \$0.00  
 Total Provider Tax Fees \$0.00  
 Total Taxes (for non-court fees) \$0.00  
 Grand Total \$69.97

**Payment**

Account Name BN Account  
 Transaction Amount \$69.97  
 Transaction Response Approved  
 Transaction ID 39362298  
 Order # 025790430-0

JON R. SINGLE  
 DISTRICT CLERK  
 MCLENNAN CO. TX.  
 DEPUTY

2018 JUL -6 PM 1:32

**FILED****No Fee Documents**

Filing Type EFileAndServe  
 Filing Code No Fee Documents  
 Filing Description First Amended Original Petition  
 Reference Number 7939.18

**Comments**

Please issue new citations for 3 out of of state defendants (Leslie, Snowberry and Mortgage Capital Mgmt) and hold for pick up.

## Envelope Details

Page 2 of 2

|                 |                          |
|-----------------|--------------------------|
| Courtesy Copies | darcher@bellnunnally.com |
| Status          | Accepted                 |
| Accepted Date   | 7/6/2018 1:31 PM         |
| <b>Fees</b>     |                          |
| Court Fee       | \$66.00                  |
| Service Fee     | \$0.00                   |

|                    |                       |
|--------------------|-----------------------|
| Optional Services  |                       |
| Issue Citation     | \$24.00 (3 x \$8.00)  |
| Copies - Certified | \$42.00 (42 x \$1.00) |

**Documents**

|                      |                                                   |                                        |
|----------------------|---------------------------------------------------|----------------------------------------|
| <i>Lead Document</i> | Citizens - First Amended Original<br>Petition.pdf | <u>[Original]</u> <u>[Transmitted]</u> |
|----------------------|---------------------------------------------------|----------------------------------------|

**eService Details**

| Name/Email                                             | Firm | Service Method | Status | Served | Date/Time<br>Opened |
|--------------------------------------------------------|------|----------------|--------|--------|---------------------|
| Kristopher D Hill<br>khill@bellnunnally.com            |      | EServe         | Sent   | Yes    | Not Opened          |
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |      | EServe         | Sent   | Yes    | Not Opened          |
| Brent A Turman<br>bturman@bellnunnally.com             |      | EServe         | Sent   | Yes    | Not Opened          |

## Envelope Details

Page 1 of 2

[Print this page](#)**Case # 2017-4071-5****Case Information**

|                   |                                  |
|-------------------|----------------------------------|
| Location          | McLennan County - District Clerk |
| Date Filed        | 7/6/2018 4:06 PM                 |
| Case Number       | 2017-4071-5                      |
| Case Description  |                                  |
| Assigned to Judge |                                  |
| Attorney          | Brent Turman                     |
| Firm Name         | Bell Nunnally & Martin LLP       |
| Filed By          | Tonya Stephenson                 |
| Filer Type        | Not Applicable                   |

**Fees**

|                                  |         |
|----------------------------------|---------|
| Convenience Fee                  | \$1.97  |
| Total Court Case Fees            | \$0.00  |
| Total Court Party Fees           | \$0.00  |
| Total Court Filing Fees          | \$66.00 |
| Total Court Service Fees         | \$2.00  |
| Total Filing & Service Fees      | \$0.00  |
| Total Provider Service Fees      | \$0.00  |
| Total Provider Tax Fees          | \$0.00  |
| Total Taxes (for non-court fees) | \$0.00  |
| Grand Total                      | \$69.97 |

**Payment**

|                      |             |
|----------------------|-------------|
| Account Name         | BN Account  |
| Transaction Amount   | \$69.97     |
| Transaction Response | Approved    |
| Transaction ID       | 39375641    |
| Order #              | 025801481-0 |

*Jon P. Ginele*  
 JON P. GINELE  
 DISTRICT CLERK  
 McLENNAN CO. TX.  
 DEPUTY

2018 JUL -6 PM 4:32

**FILED****Request**

|                    |                                                                               |
|--------------------|-------------------------------------------------------------------------------|
| Filing Type        | EFileAndServe                                                                 |
| Filing Code        | Request                                                                       |
| Filing Description | Letter to McLennan County District Clerk re Request for Issuance of Citations |
| Reference Number   | 07139.00018                                                                   |
| Comments           |                                                                               |
| Status             | Accepted                                                                      |

## Envelope Details

Page 2 of 2

Accepted Date 7/6/2018 4:14 PM

**Fees**

Court Fee \$66.00

Service Fee \$0.00

**Optional Services**

Copies - Certified \$42.00 (42 x \$1.00)

Issue Citation \$24.00 (3 x \$8.00)

**Documents**

*Lead Document* Letter to McLennan County District Clerk.pdf [Original] [Transmitted]

**eService Details**

| Name/Email                                             | Firm                          | Service Method | Status | Served | Date/Time Opened |
|--------------------------------------------------------|-------------------------------|----------------|--------|--------|------------------|
| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | Not Opened       |
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |                               | EServe         | Sent   | Yes    | Not Opened       |
| Brent A Turman<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | Not Opened       |
| Debbie Archer<br>darcher@bellnunnally.com              | Bell Nunnally<br>Martin       | EServe         | Sent   | Yes    | Not Opened       |
| Tonya C. Stephenson<br>tstephenson@bellnunnally.com    | Bell Nunnally &<br>Martin LLP | EServe         | Sent   | Yes    | Not Opened       |

**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**COPY**

**PAPER# 8 & 9  
PRIVATE PROCESS SERVER**

**TO: MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, DEFENDANT - 6308 SNOWBERRY LANE, NIWOT, COLORADO 80503, BY SERVING THEIR STATUTORY AGENT, TEXAS SECRETARY OF STATE AT CITATIONS UNIT, P.O. BOX 12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

**Plaintiff**

**VS.**

**MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY AND MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: FIRST AMENDED ORIGINAL PETITION**

**Pleading File Date: JULY 6, 2018**

**Cause No: 2017-4071-5**

**NOTICE**

***You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and the above pleading, a default judgment may be taken against you.***

The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.**

**Issue Date: JULY 9, 2018.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701

By:  Deputy  
**MAXINE BARTON**

**RETURN OF SERVICE**

Style: **CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY AND MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY**

Cause No: **2017-4071-5**

Court: **414TH JUDICIAL DISTRICT**

Paper#: **8 & 9**

Pleading: **FIRST AMENDED ORIGINAL PETITION**

Came to hand on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_ M. and executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by delivering to the party designated in the citation, to-wit:

at \_\_\_\_\_ o'clock \_\_\_\_ M; in person, a true copy of this citation with a true and correct copy of the pleading attached thereto, having first endorsed on such copy of said citation the date of delivery.

FEES: Serving one (1) copy

Total \$ \_\_\_\_\_ County, Texas

**NO SHERIFF OR CONSTABLE  
FEES COLLECTED**

By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

and having attempted on \_\_\_\_\_.

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my

date of birth is \_\_\_\_\_, and my address is \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. Executed in \_\_\_\_\_ County, State of Texas, on the \_\_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year)

\_\_\_\_\_  
(Signature) Declarant"



**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**COPY**

**PAPER# 8 & 9**

**PRIVATE PROCESS SERVER**

**TO: MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, DEFENDANT - 6308 SNOWBERRY LANE, NIWOT, COLORADO 80503, BY SERVING THEIR STATUTORY AGENT, TEXAS SECRETARY OF STATE AT CITATIONS UNIT, P.O. BOX 12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

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**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

**Plaintiff**

**VS.**

**MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY AND MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: FIRST AMENDED ORIGINAL PETITION**

**Pleading File Date: JULY 6, 2018**

**Cause No: 2017-4071-5**

**NOTICE**

***You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and the above pleading, a default judgment may be taken against you.***

The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.**

**Issue Date: JULY 9, 2018.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701

By  Deputy  
**MAXINE BARTON**

RETURN OF SERVICE

Style: CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY AND MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY

Cause No: 2017-4071-5

Court: 414TH JUDICIAL DISTRICT

Paper#: 8 & 9

Pleading: FIRST AMENDED ORIGINAL PETITION

Came to hand on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_ M. and executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by delivering to the party designated in the citation, to-wit:

at \_\_\_\_\_ o'clock \_\_\_\_ M; in person, a true copy of this citation with a true and correct copy of the pleading attached thereto, having first endorsed on such copy of said citation the date of delivery.

FEES: Serving one (1) copy

Total \$ \_\_\_\_\_

\_\_\_\_\_ County, Texas

NO SHERIFF OR CONSTABLE  
FEES COLLECTED

By \_\_\_\_\_

NOT EXECUTED FOR THE FOLLOWING REASONS \_\_\_\_\_

and having attempted on \_\_\_\_\_

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my

date of birth is \_\_\_\_\_, and my address is \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. Executed in \_\_\_\_\_ County, State of Texas, on the \_\_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year)

\_\_\_\_\_ (Signature) Declarant"

**COPY**

**CITATION**

**PAPER# 10 & 11  
PRIVATE PROCESS SERVER**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**TO: SNOWBERRY SETTLEMENTS, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED LIABILITY COMPANY, DEFENDANT - HOME OFFICE, 357 MCCASLIN BLVD., SUITE 200, LOUISVILLE, CO. 80027, BY SERVING THEIR STATUTORY AGENT, TEXAS SECRETARY OF STATE, CITATIONS UNIT, P.O. BOX 12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

**Plaintiff**

**VS.**

**MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY AND MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT  
Pleading: FIRST AMENDED ORIGINAL PETITION  
Pleading File Date: JULY 6, 2018  
Cause No: 2017-4071-5**

**NOTICE**

***You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and the above pleading, a default judgment may be taken against you.***

The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.  
Issue Date: JULY 9, 2018.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

**Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701**

**By:  Deputy  
MAXINE BARTON**

RETURN OF SERVICE

Style: CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION VS. MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY AND MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY

Cause No: 2017-4071-5

Court: 414TH JUDICIAL DISTRICT

Paper#: 10 & 11

Pleading: FIRST AMENDED ORIGINAL PETITION

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FEES COLLECTED

\_\_\_\_\_ County, Texas

By \_\_\_\_\_

NOT EXECUTED FOR THE FOLLOWING REASONS \_\_\_\_\_

and having attempted on \_\_\_\_\_

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\_\_\_\_\_ (Signature) Declarant"

**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**TO: SNOWBERRY SETTLEMENTS, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED LIABILITY COMPANY, DEFENDANT - HOME OFFICE, 357 MCCASLIN BLVD., SUITE 200, LOUISVILLE, CO. 80027, BY SERVING THEIR STATUTORY AGENT, TEXAS SECRETARY OF STATE, CITATIONS UNIT, P.O. BOX 12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

**GREETINGS:**

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**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

**Plaintiff**

**VS.**

**MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY AND MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT  
Pleading: FIRST AMENDED ORIGINAL PETITION  
Pleading File Date: JULY 6, 2018  
Cause No: 2017-4071-5**

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3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701

By:  Deputy  
**MAXINE BARTON**



RETURN OF SERVICE

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\_\_\_\_\_, County, Texas

By \_\_\_\_\_

NOT EXECUTED FOR THE FOLLOWING REASONS \_\_\_\_\_

and having attempted on \_\_\_\_\_.

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\_\_\_\_\_, (Signature) Declarant"



**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**PAPER# 12 & 13  
PRIVATE PROCESS SERVER**

**COPY**

**TO: MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED LIABILITY COMPANY, DEFENDANT - 2121 EISENHOWER AVENUE, SUITE 200, ALEXANDRIA, VIRGINIA 22314, BY SERVING THEIR STATUTORY AGENT, TEXAS SECRETARY OF STATE, CITATIONS UNIT, P.O. BOX 12079, AUSTIN, TEXAS 78711 OR 1019 BRAZOS STREET, AUSTIN, TEXAS 78701**

**GREETINGS:**

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**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

**Plaintiff**

**VS.**

**MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY AND MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: FIRST AMENDED ORIGINAL PETITION**

**Pleading File Date: JULY 6, 2018**

**Cause No: 2017-4071-5**

**NOTICE**

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**Issue Date: JULY 9, 2018.**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701

By:  Deputy  
**MAXINE BARTON**



**RETURN OF SERVICE**

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Cause No: **2017-4071-5**

Court: **414TH JUDICIAL DISTRICT**

Paper#: **12 & 13**

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Total \$ \_\_\_\_\_ County, Texas

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By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

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**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**COPY**

**PAPER# 12 & 13  
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**CITIZENS STATE BANK, A TEXAS FINANCIAL INSTITUTION**

**Plaintiff**

**VS.**

**MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY AND MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN NONRESIDENT COLORADO LIMITED LIABILITY COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT  
Pleading: FIRST AMENDED ORIGINAL PETITION  
Pleading File Date: JULY 6, 2018  
Cause No: 2017-4071-5**

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DALLAS, TEXAS 75204  
Attorney for Plaintiff**

Jon R. Gimble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701

By:  Deputy  
**MAXINE BARTON**



**RETURN OF SERVICE**

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By \_\_\_\_\_

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\_\_\_\_\_ (Signature) Declarant"



FILED  
MCLENNAN COUNTY  
7/16/2018 4:10 PM  
JON R. GIMBLE  
DISTRICT CLERK  
Tiffany Crim

**The State of Texas**  
**Secretary of State**

2018-294199-3

I, the undersigned, as Secretary of State of Texas DO HEREBY CERTIFY that according to the records of this office, a copy of the Citation and First Amended Original Petition in the cause styled:

Citizens State Bank VS Michael Scott Leslie, Montage Mortgage LLC, Snowberry Settlements LLC and Mortgage Capital Management  
414th Judicial District Court Of McLennan County, Texas  
Cause No: 201740715

was received by this office on July 13, 2018, and that a copy was forwarded on July 16, 2018, by CERTIFIED MAIL, return receipt requested to:

Michael Scott Leslie  
6308 Snowberry Lane  
Niwot, CO 80503



Date issued: July 16, 2018

A handwritten signature in black ink, appearing to read "R. Pablos", written over a horizontal line.

**Rolando B. Pablos**  
**Secretary of State**  
GF/vm



FILED  
MCLENNAN COUNTY  
7/16/2018 4:10 PM  
JON R. GIMBLE  
DISTRICT CLERK  
Tiffany Crim

**The State of Texas**  
**Secretary of State**

2018-294199-2

I, the undersigned, as Secretary of State of Texas DO HEREBY CERTIFY that according to the records of this office, a copy of the Citation and First Amended Original Petition in the cause styled:

Citizens State Bank VS Michael Scott Leslie, Montage Mortgage LLC, Snowberry Settlements LLC and Mortgage Capital Management  
414th Judicial District Court Of McLennan County, Texas  
Cause No: 201740715

was received by this office on July 13, 2018, and that a copy was forwarded on July 16, 2018, by CERTIFIED MAIL, return receipt requested to:

Snowberry Settlements LLC  
357 McCaslin Blvd., Suite 200  
Louisville, CO 80027



Date issued: July 16, 2018

A handwritten signature in black ink, appearing to read "R. Pablos", written over a horizontal line.

**Rolando B. Pablos**  
**Secretary of State**  
GF/vm





FILED  
MCLENNAN COUNTY  
7/16/2018 4:10 PM  
JON R. GIMBLE  
DISTRICT CLERK  
Tiffany Crim

**The State of Texas**  
**Secretary of State**

2018-294199-1

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Citizens State Bank VS Michael Scott Leslie, Montage Mortgage LLC, Snowberry Settlements LLC and Mortgage Capital Management  
414th Judicial District Court Of McLennan County, Texas  
Cause No: 201740715

was received by this office on July 13, 2018, and that a copy was forwarded on July 16, 2018, by CERTIFIED MAIL, return receipt requested to:

Mortgage Capital Management LLC  
2121 Eisenhower Avenue, Suite 200  
Alexandria, VA 22314



Date issued: July 16, 2018

A handwritten signature in black ink, appearing to read "R. Pablos", written over a horizontal line.

**Rolando B. Pablos**  
**Secretary of State**  
GF/vm

FILED  
MCLENNAN COUNTY  
7/17/2018 4:33 PM  
JON R. GIMBLE  
DISTRICT CLERK

CAUSE NO. 2017-4071-5

Paige Edmundson

|                              |   |                          |
|------------------------------|---|--------------------------|
| CITIZENS STATE BANK,         | § | IN THE DISTRICT COURT OF |
|                              | § |                          |
| Plaintiff,                   | § |                          |
|                              | § |                          |
| v.                           | § |                          |
|                              | § |                          |
| MICHAEL SCOTT LESLIE,        | § | MCLENNAN COUNTY, TEXAS   |
| MONTAGE MORTGAGE, LLC,       | § |                          |
| SNOWBERRY SETTLEMENTS, LLC,  | § |                          |
| MORTGAGE CAPITAL             | § |                          |
| MANAGEMENT, LLC, and         | § |                          |
| TRAVELERS BOND AND SPECIALTY | § |                          |
| INSURANC                     | § |                          |
|                              | § |                          |
| Defendants.                  | § | 414th JUDICIAL DISTRICT  |

**PLAINTIFF'S SECOND AMENDED ORIGINAL PETITION**

Plaintiff Citizens State Bank ("Citizens") complains of Defendants Michael Scott Leslie ("Leslie"), Montage Mortgage, LLC ("Montage"), Snowberry Settlements, LLC ("Snowberry"), Mortgage Capital Management, LLC ("MCM") (collectively, "Defendants") and Travelers Bond and Specialty Insurance.

**PRELIMINARY STATEMENT**

1. This case is based on a scam orchestrated by Leslie and his tangled web of affiliates—Montage, Snowberry, and MCM—to steal at least \$3,872,745 from Citizens. While the depth of Leslie's fraudulent scam runs deep, he has specifically confessed to inducing Citizens into wiring funds to purchase phantom interests in 12 fictitious mortgage loans.

**DISCOVERY CONTROL PLAN**

2. Discovery shall be conducted under Level 2. *See* TEX. R. CIV. P. 190.3.

**PARTIES**

3. Plaintiff Citizens is a Texas state bank.

4. Defendant Leslie is a nonresident natural person who resides at 6308 Snowberry Lane, Niwot, Colorado 80503. Leslie has done business in Texas by forming and operating businesses in Texas, entering contracts to perform obligations in Texas, and committing torts in Texas. This lawsuit arises from Leslie's business in Texas and torts committed in Texas. Although Leslie has engaged in business in the State of Texas, he does not maintain a home address or regular place of business in Texas. Leslie also does not maintain a designated agent for service of process in Texas. Defendant has been served with citation through the Texas Secretary of State which has mailed a copy of the first amended petition and citation to Leslie's home address at 6308 Snowberry Lane, Niwot, Colorado 80503.

5. Defendant Montage is a Texas limited liability company authorized to conduct business in Texas. Montage may be served with process through its registered agent, American Mortgage Licensing, LLC ("AML"), at 805 Country Club Dr., Heath, Texas 75032. AML's registered agent, Michael Crouse, has been served with process on behalf of AML and Montage at 805 Country Club Dr., Heath, Texas 75032.

6. Defendant Snowberry Settlements, LLC is a foreign, nonresident Colorado limited liability company organized and formed by Leslie and doing business in Texas by contracting to perform an obligation in Texas and committing torts in Texas. This lawsuit arises from Snowberry's business in Texas and torts committed in Texas. Although Snowberry has engaged in business in the State of Texas, Snowberry does not maintain a regular place of business in Texas. Snowberry also does not maintain a designated agent for service of process in Texas. Therefore, Snowberry has been served with citation through the Secretary of State for the State of Texas, The Texas Secretary of State has mailed a copy of the citation and the first amended petition to

Snowberry at Snowberry Settlements, LLC's home office located at 357 McCaslin Blvd., Suite 200, Louisville, CO 80027.

7. Defendant Mortgage Capital Management, LLC is a foreign, nonresident Colorado limited liability company organized and formed by Leslie and doing business in Texas by contracting to perform an obligation in Texas and committing torts in Texas. This lawsuit arises from MCM's business in Texas and torts committed in Texas. Even though MCM has engaged in business in the State of Texas, MCM does not maintain a regular place of business in Texas. MCM also does not maintain a designated agent for service of process in Texas. Therefore, MCM has been served with citation through the Secretary of State for the State of Texas. The Texas Secretary of State has mailed a copy of the citation and the first amended petition to MCM at its home office, located at 2121 Eisenhower Avenue, Suite 200, Alexandria, Virginia 22314.

The defendants identified above are referred to collectively as the "Fraud Defendants".

8. Defendant Travelers is an Insurance Company licensed to do business in the State of Texas, and may be served with process by serving its attorney for service listed with the Texas Department of Insurance: Chandra Sperry, 15700 Long Vista Dr., Austin, Texas 78720-3822.

#### **JURISDICTION**

9. Citizens seeks monetary relief over \$1,000,000; and the damages sought by Citizens are within the jurisdictional limits of the court. *See* Tex. R. Civ. P. 47(b), (c)(5).

#### **VENUE**

10. Venue is proper in McLennan County, Texas because a substantial part of the events or omissions giving rise to the claims asserted occurred in McLennan County, Texas.

#### **FACTUAL BACKGROUND**

##### **A. Citizens State Bank**

11. Citizens is a state bank that has provided community-banking services to customers throughout central and southeast Texas for over 98 years. Citizens' core back-office departments, including its finance, accounting, human resources, marketing, and warehouse lending departments, are based in McLennan County, Waco, Texas. Citizens operates a warehouse mortgage lending program, internally referred to as its "Temporary Mortgage Participation Program" or "TMPP." In a typical TMPP transaction, Citizens provides a funding facility to a licensed mortgage originator (the "Client") in exchange for a loan-participation interest in a residential mortgage loan and related security instrument submitted by the Client. The funding facility allows the Client to fund mortgage loans to borrowers and then sell the loans—generally, 30-45 days later—on the secondary market to a mortgage investor. Once the Client sells the loan to an investor on the secondary market, Citizens is repaid the principal amount it paid for its participation interest, plus interest and fees for the temporary time the loan was held by the Client.

**B. Leslie's Tangled Web of Affiliates**

12. Leslie formed Montage in Texas. Leslie represented to Citizens that Montage is licensed to originate mortgage loans in Texas and other states.

13. Leslie formed Snowberry in 2015. Leslie represented to Citizens that Snowberry is a title company engaged in the business of maintaining escrow accounts for money provided to fund mortgage loans. Snowberry's listed registered agent address is the same as the address of Leslie's personal residence.

14. Leslie formed MCM in 2015. Leslie represented to Citizens that MCM is an investor in mortgage loans.

**C. Leslie lures Citizens into a warehouse lending relationship**

15. In 2014, Montage acquired Ameritrust Mortgage, Inc., which had been a TMPP client of Citizens since 2010. Soon after the acquisition, Leslie sought to assume Ameritrust's role in the TMPP by painting the picture of being an experienced mortgage banker expanding his business with a well-thought-out strategic plan.

16. Citizens and Montage subsequently entered a Loan Participation Agreement, Participation Administrating Agreement, and Amended and Restated Loan Participation Agreement (collectively, the "Agreements"), which enabled Montage to offer Citizens opportunities to purchase 99% participation interests in residential mortgage loans and security instruments originated by Montage. In exchange for Citizens purchasing a 99% participation interest in a Montage loan, the Agreements required Montage to, among other things: (a) deliver to Citizens the executed loan and security instruments and required underwriting documentations executed by the borrower; and (b) immediately upon receipt of any payment from an investor, repay the principal loan amount funded by Citizens plus Citizens' respective share of the interest accrued on the loan and fees during the temporary time it was held by Montage.

17. Montage provided numerous express warranties to Citizens under the Agreements, including:

- Montage (i) is the sole and lawful owner of each Mortgage Loan, has good and marketable title thereto, free and clear of all security interests and liens, pledges, charges, encumbrances, or any interests of any other party; and (ii) has the full right and authority to assign and transfer each Mortgage Loan and the Participation Interest therein to [Citizens] ...
- The Mortgage Loan has been in accordance with loan underwriting standards and guidelines of Citizens ...
- Each Mortgage Note has been executed by the Borrower, each Borrower is fully competent to execute the Mortgage Note and the Mortgage Note is genuine and is legal and enforceable against Borrower in accordance with its terms.



- The Mortgage Loan was made pursuant to and in compliance with all applicable federal and state laws, rules, and regulations ...
- All copies of any Collateral Documents or Loan Papers furnished to Citizens are accurate and complete copies of the originals of such documents or papers.
- Montage has no knowledge at the time of the sale of each Participation Interest of any conditions which would impair the Mortgage Loan. No condition exists with respect to such Mortgage Loan which could give rise to any right of rescission, set-off, counterclaim, or defense with regard to the Mortgage Loan ...
- With respect to any Mortgage Loan which provides for escrows, all escrows have been properly collected and disbursed and a proper escrow account analysis has been prepared and timely delivered to the Borrower.
- There are no irregularities, deficiencies, defects, or falsifications concerning the Mortgage Loan ...
- Montage has full power and authority to originate, market, sell and service each Subject Mortgage Loan and to enter into and consummate all transactions contemplated by this Agreement and to enter into and consummate all transactions contemplated by this Agreement ...

18. The Agreement contains security mechanisms to secure Citizens' purchases of participation interests, including the obligation that "[u]pon the default of any provision of the Agreement or the breach of any representation or warranty made by [Montage] ..., [Montage] shall be obligated to, and shall, immediately repurchase from Citizens the Participation Interest in the Mortgage Loan for the Repurchase Price."

19. Throughout Citizens' relationship with Ameritrust and Montage, Citizens purchased participation interests in over 1,400 loans totaling over \$287 million. In late 2015, Leslie began orchestrating mortgage transactions that involved Snowberry, as a purported settlement agent authorized to escrow funds and close loans, and MCM, as a purported mortgage investor. Uninformed of Leslie's tangled affiliation with Montage, Snowberry, and MCM, from October 2015 through October 2017, Citizens purchased 144 participation interests totaling \$31,908,808.88

in loans involving Leslie and his affiliates. Leslie never disclosed his or Montage's affiliation with Snowberry or MCM.

20. Citizens purchased an insurance policy from Travelers by and through Travelers' agent in McLennan County, Texas, Wes Bailey of Bailey Risk Management and Insurance, Inc. Coverage for fraud and forgery in connection with its mortgage and securities business were included in the policy. This policy was to cover incidents like the one which forms the basis of this suit. Citizens notified Travelers of the fraud which forms the basis of this suit and filed a timely proof of claim for the losses sustained as a result of the conduct of the fraud defendants. Travelers denied the claim five months after the proof of loss was filed.

#### **D. Defendants' Scam Unravels**

21. In each of the transactions Leslie orchestrated to involve Montage, Snowberry, and MCM, Montage submitted a mortgage-loan package to Citizens that included underwriting materials, together with an executed note and mortgage. In many cases, the purported borrower was a previous borrower of Montage who appeared to be seeking to refinance an original mortgage. As a result, Montage had significant information about the purported borrowers from previous loan packages. Defendants even provided Mortgage Identification Numbers assigned by the Mortgage Electronic Registration Systems and other identifying information to add underwriting credence to the transactions. Citizens paid for all of its participation interests in these loans by wiring money pursuant to Leslie's directions. Before CSB wired any money in these transactions, Leslie represented that MCM could serve as the ultimate secondary-market investor to purchase/settle the loans and send the sales proceeds to Citizens.

22. On October 17, 2017, Citizens informed Leslie over the phone that it needed to suspend its purchase of participation interests in Montage loans and desired to close out its existing

pipeline of participation interests in 23 outstanding Montage loans. Realizing his scam was on the verge of ending, Leslie reached out later the same day and asked if he could travel from his home in Colorado to meet with Citizens' President the very next day. At the meeting the following day, Leslie confessed that only 11 of the 23 outstanding loans were legitimate and could be sold on the secondary market to pay off Citizens in the normal course of business. Leslie admitted that Citizens had purchased phantom participation interests in the remaining 12 outstanding loans (the "Phantom Loans") that would not be repaid. The reason why: Leslie secretly pocketed the money.

23. In reference to the Phantom Loans, Leslie specifically confessed:

- "You know we'll be able to pay off [the Phantom Loans] in a longer time frame. So, what I'm gonna request from you is a 6-month to 12-month time frame to pay the rest of them off so — and I've got the — you know, I've got reasons for that, but I don't think we want to go into those .... I've got a big, giant, lawsuit against another company that's gonna settle ... out as soon as December. I'm gonna want up to 12 months if we can structure it that way. ... And [then] the bank will get their money."
- "There's been a giant number of mistakes that are gonna, you know — they're — if we can just structure a longer term pay out on the balance and give me a chance to get this lawsuit to the goal line, it's a real deal, it'll get you paid."
- "I have created massive problems by making mistakes that were not, you know, were not personally motivated or driven but it is what it is at this point. I mean I got — you know, so I got a problem and the way to fix the problem is to let the lawsuit manifest, you know, a settlement and then we get this knocked out."
- "Can I have 12 loans — or some way to structure something that gets us time to let that lawsuit pay. That's all we got. That's all I got .... I put myself in a bad position by making, you know, an original mistake that led to a thousand others ...."
- "I'm just here in front of you because, you know, I want you to see me as a regretful, remorseful person that's gonna — I'm gonna fix this if you give me a chance, or if the board gives me the chance, but I don't know how to handle it from here other than to come talk to you and I didn't — I hadn't sought legal advice. I haven't -- you know what I mean? I don't know where it goes from here. I just know that you've got some loans that need to get

paid and then -- then we need to, if it's possible work out a time frame on these others and that what's I'm here to ask."

24. In response to these bombshells, Citizens asked Leslie: "Why won't [the Phantom Loans] pay off in the normal course of business." Leslie's incriminating response was:

They — they just — they won't. You know, they just won't and I don't know, you know, what language to use there. I don't want to dance around it. ... I don't know what I should say to you that would put you in a position where you have to go, you know, I'm trying to — I'm trying to play kind of a semantics game here that I'm not comfortable playing 'cause I've never been in this position before but you just don't want to dig deeper on these loans. You just don't. And you know there's a problem there. ... I think the less that the bank knows maybe the better. Because if the bank knows something the bank might have to disclose something ... and I don't want to put you in the position where you have to disclose or lie or whatever and maybe omission is as much the same thing but I don't know, I've never been in this position before. ... It's not good and it's not a good situation. I'm, you know, I'm prepared. You know I've already kind of met my maker on what I've done to try to solve all these problems and I've just created more problems.

Leslie confirmed the status of the Phantom Loans in the following exchange:

Citizens: "What I'm hearing [is] the only way to get the bank paid is based off of a lawsuit?

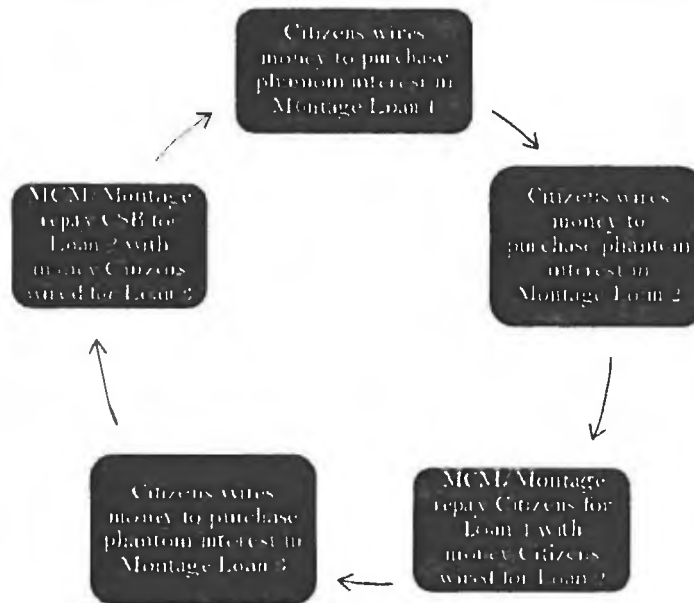
Leslie: "Correct."

Citizens: "All right. So that's telling me then these loans are not going to pay. Are they real loans?"

Leslie: "I don't know what I should say or what I shouldn't say there. The loans are not gonna pay. ... I have no ability to make restitution of any sort right now. I mean, so if we — if this thing goes where a full everybody ripping everything apart and, you know, regulators come and, you know, authorities come and, you know, it — whatever happens to me but I just — there's nothing."

25. As a result of Leslie's confessions, Citizens conducted an investigation into its transaction history with Leslie and Montage. The investigation revealed that the litany of Leslie's "mistakes" likely amount to a large-scale scam that would have carried on indefinitely had Citizens

not suspended its TMPP relationship with Montage. The scam appears to have relied on a continuous cycle of theft and fraud depicted in the following diagram:



When the music finally stopped on Leslie's musical-chairs game of fraud, Citizens was left holding \$3,872,745 worth of non-existent interests in the 12 Phantom Loans with no underlying property to serve as security. Defendants have failed and refused to repay Citizens for the funds it wired for the Phantom Loans. All conditions precedent to enforcement of Citizens' claims have occurred or been waived or excused.

26. Travelers was presented with and denied the Claim.

27. On December 18, 2017, Citizens filed a Proof of Loss with Travelers. The claim related to the fraudulent loans detailed above resulting in a loss of \$3,872,745.00 by Citizens. Citizens had purchased a Bond (No. 071-LB-105912142) from Travelers with the effective dates of April 1, 2017 to April 1, 2018 to cover losses incurred as a result of fraud and forgery. The policy was purchased and designed to cover precisely the type of loss sustained by Citizens as a result of the actions of the fraud defendants. Citizens discovered the fraud which forms the basis

of this suit in October 2017. Citizens filed a proof of loss within the terms of the policy. Travelers denied coverage for this loss on May 18, 2018 on the purported basis that neither Citizens nor an authorized representative of Citizens had actual physical possession of the original note or mortgage/deed of trust at the time Citizens funded/purchased the participation. Travelers further justified their denial of coverage on the basis that Snowberry was not Citizens' authorized representative for purposes of these transactions. Travelers specifically determined that Snowberry was not an agent of Citizens despite the fact that there was an ongoing relationship resulting in the successful closing of over 125 loans where Snowberry acted as Citizens authorized representative, either as a title company and/or closing agent for these transactions. On May 25, 2018, Travelers formally denied coverage for this claim. The correspondence denying coverage states:

Based upon the information submitted, the loss does not fall within the coverage provided by the Securities Insuring Agreement because neither Citizens nor an authorized representative of Citizens had actual physical possession of the original note or mortgage/deed of trust at the time Citizens funded/purchased the participation in the associated loan.

Travelers attempted to justify their denial as follows:

Citing to Insuring Agreement E Citizens must have actual physical possession of the Original note or mortgage/deed of trust at the time it funded or purchased the participation. This could be satisfied if either Citizens *or its authorized representative* had possession of the original documents at the time Citizens wired the funds. (Emphasis added).

28. It is clear that there in fact was an express and/or implied agency relationship between Snowberry and Citizens. The fact that wiring instructions were provided, and funds were wired to Snowberry is evidence that an express or implied agreement existed wherein Snowberry was to fund a mortgage loan and deliver an original promissory note from the borrower within a short time following closing. This express or implied agreement between Citizens and Snowberry was played out 144 times, including with respect to the twelve loans subject to this claim. In each case,



money was wired to Snowberry and the original note was sent to the Bank. It is abundantly clear that an agreement existed, whether express or implied, as evidenced by the fact that upon receipt of funds from the Citizens by Snowberry, an original note and other closing documents were sent to Citizens. Citizens and Snowberry acted on this agreement many times over the course of their relationship.

29. Further, Citizens extended credit in exchange for a participation certificate evidencing Citizen's interest in the mortgage loan, the original of which was in the possession of Montage. Montage was expressly obligated under the terms of its Amended and Restated Loan Participation Agreement (section 10) to forward the original note and other loan documents to Citizens within five days after the closing of the loan. This is precisely the type of arrangement contemplated by the Travelers policy when it allows the requirement of actual physical possession of original items (including the note) to be satisfied by possession of an authorized party. Montage, as the representative of Citizens, had an express obligation to forward the original note to Citizens and did so many times.

30. All conditions precedent to enforcement of Citizens' claims have occurred or been waived or excused.

**COUNT 1: FRAUD/ STATUTORY FRAUD**

31. The Fraud Defendants made false representations to Citizens regarding the Phantom Loans. Specifically, Leslie and Montage falsely represented, among other things, that they:

- originated, delivered, marketed, and sold lawful, valid interests in secured mortgage loans on legitimate residential properties to Citizens;
- secured title on the underlying residential properties;

- set up a valid escrow arrangement to hold and direct Citizens' money for its intended purpose; and
- MCM was a valid investor and purchaser of mortgage loans.

32. The Fraud Defendants knew these representations were false when they were made. The Fraud Defendants made the representations with the intent that Citizens rely on them. Citizens justifiably relied on the representations by wiring money to purchase participation interests in what it believed to be valid, secured loans.

33. The transactions at issue involved real estate within the scope of Texas Business and Commerce Code § 27.01.

34. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of the Fraud Defendants' actions.

#### **COUNT 2: CIVIL THEFT**

35. The actions of the Fraud Defendants constitute civil theft because the Fraud Defendants knowingly and without effective consent appropriated money belonging to Citizens for the purpose of using that property for their own benefit.

36. The Fraud Defendants deceptively induced Citizens to wire money to purchase fictitious interests in the Phantom Loans. The Fraud Defendants misappropriated at least \$3,872,745 in funds that belong to Citizens.

37. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of the Fraud Defendants' actions.

#### **COUNT 3: FRAUDULENT INDUCEMENT**

38. The Fraud Defendants made false representations to Citizens to induce Citizens to purchase phantom interests in fictitious mortgage loans, including that:

- Montage originated, delivered, marketed, and sold lawful, valid interests in secured mortgage loans on legitimate residential properties to Citizens;
- title was secured on the properties securing the loans;
- a valid escrow arrangement was established to hold and direct Citizens' money for its intended purpose; and
- MCM was a valid investor and purchaser of mortgage loans.

39. The representations were material. The Fraud Defendants knew the representations were false when they were made and made the representations with the intent that Citizens rely on them. Citizens justifiably relied on the representations before funding the Phantom Loans. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of the Fraud Defendants' actions.

#### **COUNT 4: MONEY HAD AND RECEIVED**

40. The Fraud Defendants hold money that, in equity and good conscience, belongs to Citizens. Specifically, the Fraud Defendants defrauded Citizens into wiring money to purchase fictitious interests in the Phantom Loans and stole the money. Citizens is entitled to recover this money from the Fraud Defendants.

#### **COUNT 5: NEGLIGENCE**

41. The Fraud Defendants owed a duty of care to Citizens. The Fraud Defendants' failed to exercise ordinary care and acted negligently by engaging in the conduct addressed in Counts 1, 2, 3, 4, 6, and 7. Citizens has been injured as a proximate result of the Fraud Defendants' negligence in an amount to be more fully demonstrated at trial.

#### **COUNT 6: CONSPIRACY**

42. The Fraud Defendants acted pursuant to a common scheme designed to steal money from Citizens. The Fraud Defendants committed overt acts in furtherance of the common scheme

by, among other things, (a) making false representations to Citizens about the validity and marketability of the Phantom Loans and the use of Citizens' money and (b) delivering false loan documents and security instruments to Citizens. The Fraud Defendants are jointly and severally liable for their tortious conduct. Citizens has been injured as a proximate result of the conspiracy in an amount to be more fully demonstrated at trial.

**COUNT 7: AIDING AND ABETTING**

43. The Fraud Defendants acted with knowledge of each other's tortious conduct, as described above, and provided substantial assistance and encouragement to each other to effectuate their respective tortious acts. The Fraud Defendants were aware of their role as part of these tortious activities at the time of providing the assistance. The Fraud Defendants are therefore liable for aiding and abetting the tortious acts alleged herein. Citizens has been injured as a proximate result of the Fraud Defendants actions in an amount to be more fully demonstrated at trial.

**COUNT 8: UNJUST ENRICHMENT / CONSTRUCTIVE TRUST**

44. The Fraud Defendants committed fraud against Citizens. The Fraud Defendants wrongfully stole money from Citizens by creating, delivering, and selling Citizens fake interests in the Phantom Loans. Accordingly, Citizens seeks the remedy of unjust enrichment because the Fraud Defendants have been unjustly enriched as a result of their actions. Citizens also seeks the remedy of a constructive trust related to these funds.

**COUNT 9: BREACH OF CONTRACT**

**(FRAUD DEFENDANTS)**

45. Citizens and Montage entered binding, enforceable contracts with Montage. Citizens fully performed its obligations under the Agreements. Montage breached the Agreements by, among other things, failing to perform the obligations set forth above in Paragraphs 17 and 18.

Citizens has been injured as a proximate result of Montage's breach of contract in an amount to be more fully demonstrated at trial.

**COUNT 10: BREACH OF CONTRACT  
(TRAVELERS)**

46. The conduct of Travelers constitutes a breach of contract in that Travelers has failed to pay Citizens' covered claim under the terms of the bond. As a consequence, Citizens has suffered damages. Citizens is entitled to pursue all remedies and damages available to it for Travelers' wrongful conduct.

**COUNT 11: VIOLATIONS OF TEXAS INSURANCE CODE ANNOTATED SECTION  
542.060, ET SEQ.  
(TRAVELERS)**

47. The conduct of Travelers violates the Texas Prompt Pay Statute, Texas Insurance Code section 542.060, *et seq.* entitling Citizens to the amount of the claim, interest on the amount of the claim at the rate of eighteen percent (18%) a year as damages, together with reasonable attorney's fees.

**COUNT 12: VIOLATIONS OF THE TEXAS INSURANCE CODE AND TEXAS  
DECEPTIVE TRADE PRACTICES ACT  
(TRAVELERS)**

48. The conduct of Travelers violates the Texas Insurance Code Annotated §§541. 051, 541.060 and 541.061 and the Texas Deceptive Trade Practices Act ("DPTA") §17.46(b), including but not limited to the following:

- Misrepresenting the terms of and the benefits or advantages promised by the Bond covering Citizens loss as a result of the acts of fraud and forgery by the fraud Defendants.
- Disregarding the fact that Snowberry sent the original note to the Bank, after the Bank wired funds to Snowberry, in every instance (approximately 150 closings) where Snowberry closed a loan including the loans subject to this claim and as a result misrepresenting the nature of the relationship between Citizens and the fraud defendants;

- Disregarding the fact that Montage and Snowberry provided wiring instructions to Citizens for the closing of the loans and as a result misrepresented and wrongfully ignored the nature of the relationship between Citizens and the fraud defendants.
- Disregarding the fact that Snowberry as the title company held the note and mortgages for the benefit of Montage and Citizens and as a result misrepresented the nature of the relationship between Citizens and the Fraud Defendants.
- Failing to attempt in good faith to effectuate a prompt, fair and equitable settlement of Citizens claim as made in their Proof of Loss.
- Refusing to pay the claim set out in the proof of loss without conducting a reasonable investigation and ignoring and disregarding documents and information that do not support Travelers denial of coverage
- Causing confusion or misunderstanding about the relationship that existed between Citizens and the Fraud Defendants. Specifically, the implied agency relationship between Citizens and Snowberry who acted as the title company and closing agent for the transactions which resulted in the loss to Citizens.

Each of these acts, omissions and conduct, singularly or in combination, was a producing cause of Citizens injuries and/or damages. Such conduct was committed knowingly or intentionally, entitling Citizens to additional damages.

49. Texas law provides that it is an unfair method of competition or an unfair or deceptive act or practice to engage in unfair settlement practices including, without limitation, failing to attempt in good faith to effectuate a prompt, fair and equitable settlement of a claim with respect to which the insurer's liability has become reasonably clear or failing within a reasonable time to deny coverage. The proof of loss previously provided to Travelers, together with the additional information provided to Travelers, and the information obtained through the sworn depositions of Trey Allision and Rebecca Wright satisfy the notice requirements of Tex. Bus. & Com. Code § 17.50 and Tex. Ins. Code §541.154.

#### **DAMAGES AND ATTORNEY'S FEES**

50. As a result of the acts, omissions and conduct of the Defendants as alleged herein, Citizens has suffered damages in excess of the minimal jurisdictional limits of this Court and seeks recovery of same. Citizens also seeks recovery all other damages to which it is entitled, including



additional, extra, double and/or treble damages and any and all other damages as allowed and defined by statute or common law for the knowing and intentional conduct of Defendants.

51. As a result of Defendant's conduct, Citizens was forced to employ the services of counsel to protect and prosecute its interests and claims in this matter. Citizens is therefore entitled to and seeks recovery of its attorneys' fees and costs for the prosecution of this case through trial, post-trial proceedings, all appellate proceedings, and any other proceedings related to this cause. Citizens seeks its attorneys' fees on all legal and statutory grounds as permitted by law.

In addition, Citizens hereby makes demand of Defendants to pay all costs of court related to the prosecution of this matter.

#### **EXEMPLARY DAMAGES**

52. The Defendants committed the tortious actions described herein with malice, gross negligence, and fraud, as those terms are defined by Chapter 41 of Texas Civil Practice and Remedies Code. Therefore, Citizens is entitled to, and requests, an award of exemplary damages in an amount of the trier of fact finds sufficient. *See* TEX. CIV. PRAC & REM. CODE § 41.001, *et seq.*; TEX. BUS. & COMM. CODE § 27.01, *et seq.*

#### **JURY DEMAND**

53. Citizens hereby respectfully requests a trial by jury.

#### **DISCOVERY –REQUEST FOR DISCLOSURE**

Pursuant to Tex. R. Civ. P. 194.2, Plaintiff requests Defendants to disclose the information or material described in Rule 194.2, inclusive of all subparts (a-l).

#### **PRAYER**

**WHEREFORE, PREMISES CONSIDERED,** Citizens request that the Fraud Defendants be cited to appear and that Travelers be served with process and a copy of this suit and

answer herein, and that upon final trial of this matter, Citizens have judgement against the Defendants, jointly and severally for: actual damages, special or consequential damages, statutory damages, exemplary damages, a constructive trust, disgorgement of all undue profits obtained by the Defendants, pre-judgement interest, post-judgment interest, reasonable and necessary attorneys' fees for pre-trial, trial, all appeals, and petitions for review, costs of suit, and all other appropriate relief to which Citizens may be entitled in law or equity.

Respectfully submitted,

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**ATTORNEYS FOR PLAINTIFF CITIZENS  
STATE BANK**

## Envelope Details

Page 1 of 5

[Print this page](#)**Case # 2017-4071-5****Case Information**

|                   |                                  |
|-------------------|----------------------------------|
| Location          | McLennan County - District Clerk |
| Date Filed        | 7/16/2018 4:10 PM                |
| Case Number       | 2017-4071-5                      |
| Case Description  |                                  |
| Assigned to Judge |                                  |
| Attorney          | Brent Turman                     |
| Firm Name         | Bell Nunnally & Martin LLP       |
| Filed By          | Debbie Archer                    |
| Filer Type        | Not Applicable                   |

**Fees**

|                                  |        |
|----------------------------------|--------|
| Convenience Fee                  | \$0.06 |
| Total Court Case Fees            | \$0.00 |
| Total Court Party Fees           | \$0.00 |
| Total Court Filing Fees          | \$0.00 |
| Total Court Service Fees         | \$2.00 |
| Total Filing & Service Fees      | \$0.00 |
| Total Provider Service Fees      | \$0.00 |
| Total Provider Tax Fees          | \$0.00 |
| Total Taxes (for non-court fees) | \$0.00 |
| Grand Total                      | \$2.06 |

**Payment**

|                      |             |
|----------------------|-------------|
| Account Name         | BN Account  |
| Transaction Amount   | \$2.06      |
| Transaction Response | Approved    |
| Transaction ID       | 39676351    |
| Order #              | 026016072-0 |

**No Fee Documents**

|                    |                                               |
|--------------------|-----------------------------------------------|
| Filing Type        | EFileAndServe                                 |
| Filing Code        | No Fee Documents                              |
| Filing Description | Certificate of Service - Michael Scott Leslie |
| Reference Number   | 7139.18                                       |
| Comments           |                                               |
| Courtesy Copies    | darcher@bellnunnally.com                      |

*Maxine Darcher*

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2018 JUL 17 AM 8:34

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## Envelope Details

Page 2 of 5

|                      |                                                   |                                        |
|----------------------|---------------------------------------------------|----------------------------------------|
| Status               | Accepted                                          |                                        |
| Accepted Date        | 7/17/2018 8:10 AM                                 |                                        |
| <b>Fees</b>          |                                                   |                                        |
| Court Fee            | \$0.00                                            |                                        |
| Service Fee          | \$0.00                                            |                                        |
| <b>Documents</b>     |                                                   |                                        |
| <i>Lead Document</i> | Certificate of Service - Michael Scott Leslie.pdf | <u>[Original]</u> <u>[Transmitted]</u> |

## eService Details

| Name/Email                                             | Firm                          | Service Method | Status | Served | Date/Time Opened  |
|--------------------------------------------------------|-------------------------------|----------------|--------|--------|-------------------|
| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | Not Opened        |
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |                               | EServe         | Sent   | Yes    | Not Opened        |
| Debbie Archer<br>darcher@bellnunnally.com              | Bell Nunnally<br>Martin       | EServe         | Sent   | Yes    | 7/16/2018 4:11 PM |
| Brent A Turman<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | 7/16/2018 5:04 PM |
| Tonya C. Stephenson<br>tstephenson@bellnunnally.com    | Bell Nunnally &<br>Martin LLP | EServe         | Sent   | Yes    | Not Opened        |
| Debbie Archer<br>darcher@bellnunnally.com              | Bell Nunnally<br>Martin       | EServe         | Sent   | Yes    | Not Opened        |
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |                               | EServe         | Sent   | Yes    | Not Opened        |
| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | Not Opened        |
| Brent A Turman<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | 7/16/2018 5:04 PM |
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| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |                               | EServe         | Sent   | Yes    | Not Opened        |
| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | Not Opened        |
| Debbie Archer<br>darcher@bellnunnally.com              | Bell Nunnally<br>Martin       | EServe         | Sent   | Yes    | Not Opened        |
| Tonya C. Stephenson<br>tstephenson@bellnunnally.com    | Bell Nunnally &<br>Martin LLP | EServe         | Sent   | Yes    | Not Opened        |

## Envelope Details

Page 3 of 5

**No Fee Documents**

|                    |                                                           |
|--------------------|-----------------------------------------------------------|
| Filing Type        | EFileAndServe                                             |
| Filing Code        | No Fee Documents                                          |
| Filing Description | Certificate of Service - Mortgage Capital Management, LLC |
| Reference Number   | 7139.18                                                   |
| Comments           |                                                           |
| Courtesy Copies    | darcher@bellnunnally.com                                  |
| Status             | Accepted                                                  |
| Accepted Date      | 7/17/2018 8:10 AM                                         |
| Fees               |                                                           |
| Court Fee          | \$0.00                                                    |
| Service Fee        | \$0.00                                                    |

**Documents**

|                      |                                                              |                                        |
|----------------------|--------------------------------------------------------------|----------------------------------------|
| <i>Lead Document</i> | Certificate of Service - Mortgage Capital Management LLC.pdf | <u>[Original]</u> <u>[Transmitted]</u> |
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**eService Details**

| Name/Email                                             | Firm                          | Service Method | Status | Served | Date/Time Opened  |
|--------------------------------------------------------|-------------------------------|----------------|--------|--------|-------------------|
| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | Not Opened        |
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| Debbie Archer<br>darcher@bellnunnally.com              | Bell Nunnally<br>Martin       | EServe         | Sent   | Yes    | 7/16/2018 4:11 PM |
| Brent A Turman<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | 7/16/2018 5:04 PM |
| Tonya C. Stephenson<br>tstephenson@bellnunnally.com    | Bell Nunnally &<br>Martin LLP | EServe         | Sent   | Yes    | Not Opened        |
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| Brent A Turman<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | 7/16/2018 5:04 PM |

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Page 4 of 5

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**No Fee Documents**

|                    |                                                    |
|--------------------|----------------------------------------------------|
| Filing Type        | EFileAndServe                                      |
| Filing Code        | No Fee Documents                                   |
| Filing Description | Certificate of Service - Snowberry Settlements LLC |
| Reference Number   | 7139.18                                            |
| Comments           |                                                    |
| Courtesy Copies    | darcher@bellnunnally.com                           |
| Status             | Accepted                                           |
| Accepted Date      | 7/17/2018 8:10 AM                                  |
| <b>Fees</b>        |                                                    |
| Court Fee          | \$0.00                                             |
| Service Fee        | \$0.00                                             |

**Documents**

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| <i>Lead Document</i> | Certificate of Service - Snowberry Settlements LLC.pdf | <u>[Original]</u> <u>[Transmitted]</u> |
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Page 1 of 2

[Print this page](#)**Case # 2017-4071-5****Case Information**

Location McLennan County - District Clerk  
 Date Filed 7/17/2018 4:33 PM  
 Case Number 2017-4071-5  
 Case Description  
 Assigned to Judge  
 Attorney Elizabeth Fraley  
 Firm Name Fraley & Fraley  
 Filed By Angela Clark  
 Filer Type Not Applicable

**Fees**

Convenience Fee \$0.15  
 Total Court Case Fees \$0.00  
 Total Court Party Fees \$0.00  
 Total Court Filing Fees \$0.00  
 Total Court Service Fees \$2.00  
 Total Filing & Service Fees \$0.00  
 Total Provider Service Fees \$2.99  
 Total Provider Tax Fees \$0.25  
 Total Taxes (for non-court fees) \$0.00  
 Grand Total \$5.39

**Payment**

Account Name FST-0696996201  
 Transaction Amount \$5.39  
 Transaction Response Approved  
 Transaction ID 39720524  
 Order # 026056059-0

**Amended Filing**

Filing Type EFileAndServe  
 Filing Code Amended Filing  
 Filing Description P's 2nd AM Original Petition  
 Reference Number a4426369-dd80-44c2-bf65-d68932d5754d  
 Comments  
 Status Accepted

*Priscilla Edmundson*

JON R. GIBBLE  
 DISTRICT CLERK  
 MCLENNAN CO. TX.  
 DEPUTY

2018 JUL 18 AM 7:50

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Page 2 of 2

Accepted Date 7/17/2018 4:49 PM

**Fees**

Court Fee \$0.00

Service Fee \$0.00

**Documents**

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| <i>Lead Document</i> | P's 2nd AM Original Petition .pdf | <u>[Original]</u> | <u>[Transmitted]</u> |
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| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | 7/17/2018 4:35<br>PM |
| Brent A Turman<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | 7/17/2018 4:34<br>PM |
| Tonya C. Stephenson<br>tstephenson@bellnunnally.com    | Bell Nunnally &<br>Martin LLP | EServe         | Sent   | Yes    | Not Opened           |
| Angela Clark<br>aclark@fraley-law.com                  | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened           |
| Elizabeth M. Fraley<br>efraley@fraley-law.com          | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened           |
| Laura Kugler<br>lkugler@fraley-law.com                 | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened           |

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MCLENNAN COUNTY  
7/30/2018 11:51 AM  
JON R. GIMBLE  
DISTRICT CLERK

CAUSE NO. 2017-4071-5

Christie Cobb

|                               |   |                          |
|-------------------------------|---|--------------------------|
| CITIZENS STATE BANK,          | § | IN THE DISTRICT COURT OF |
|                               | § |                          |
| Plaintiff,                    | § |                          |
|                               | § |                          |
| v.                            | § |                          |
|                               | § |                          |
| MICHAEL SCOTT LESLIE,         | § | MCLENNAN COUNTY, TEXAS   |
| MONTAGE MORTGAGE, LLC,        | § |                          |
| SNOWBERRY SETTLEMENTS, LLC,   | § |                          |
| MORTGAGE CAPITAL              | § |                          |
| MANAGEMENT, LLC, TRAVELERS    | § |                          |
| BOND AND SPECIALTY INSURANCE, | § |                          |
| TRAVELERS CASUALTY AND        | § |                          |
| SURETY COMPANY OF AMERICA,    | § |                          |
| and THE TRAVELERS INDEMNITY   | § | 414th JUDICIAL DISTRICT  |
| COMPANY                       | § |                          |
|                               | § |                          |
| Defendants.                   | § |                          |

**PLAINTIFF'S THIRD AMENDED ORIGINAL PETITION**

Plaintiff Citizens State Bank ("Citizens") complains of Defendants Michael Scott Leslie ("Leslie"), Montage Mortgage, LLC ("Montage"), Snowberry Settlements, LLC ("Snowberry"), Mortgage Capital Management, LLC ("MCM"), Travelers Bond and Specialty Insurance, Travelers Casualty and Surety Company of America, and The Travelers Indemnity Company (collectively "Defendants").

**PRELIMINARY STATEMENT**

1. This case is based on a scam orchestrated by Leslie and his tangled web of affiliates—Montage, Snowberry, and MCM—to steal at least \$3,872,745 from Citizens. While the depth of Leslie's fraudulent scam runs deep, he has specifically confessed to inducing Citizens into wiring funds to purchase phantom interests in 12 fictitious mortgage loans.

**DISCOVERY CONTROL PLAN**

2. Discovery shall be conducted under Level 2. *See* TEX. R. CIV. P. 190.3.

**PARTIES**

3. Plaintiff Citizens is a Texas state bank.

4. Defendant Leslie is a nonresident natural person who resides at 6308 Snowberry Lane, Niwot, Colorado 80503. Leslie has done business in Texas by forming and operating businesses in Texas, entering contracts to perform obligations in Texas, and committing torts in Texas. This lawsuit arises from Leslie's business in Texas and torts committed in Texas. Although Leslie has engaged in business in the State of Texas, he does not maintain a home address or regular place of business in Texas. Leslie also does not maintain a designated agent for service of process in Texas. Defendant has been served with citation through the Texas Secretary of State which has mailed a copy of the first amended petition and citation to Leslie's home address at 6308 Snowberry Lane, Niwot, Colorado 80503.

5. Defendant Montage is a Texas limited liability company authorized to conduct business in Texas. Montage may be served with process through its registered agent, American Mortgage Licensing, LLC ("AML"), at 805 Country Club Dr., Heath, Texas 75032. AML's registered agent, Michael Crouse, has been served with process on behalf of AML and Montage at 805 Country Club Dr., Heath, Texas 75032.

6. Defendant Snowberry Settlements, LLC is a foreign, nonresident Colorado limited liability company organized and formed by Leslie and doing business in Texas by contracting to perform an obligation in Texas and committing torts in Texas. This lawsuit arises from Snowberry's business in Texas and torts committed in Texas. Although Snowberry has engaged in business in the State of Texas, Snowberry does not maintain a regular place of business in Texas. Snowberry also does not maintain a designated agent for service of process in Texas. Therefore, Snowberry has been served with citation through the Secretary of State for the State of Texas, The

Texas Secretary of State has mailed a copy of the citation and the first amended petition to Snowberry at Snowberry Settlements, LLC's home office located at 357 McCaslin Blvd., Suite 200, Louisville, CO 80027.

7. Defendant Mortgage Capital Management, LLC is a foreign, nonresident Colorado limited liability company organized and formed by Leslie and doing business in Texas by contracting to perform an obligation in Texas and committing torts in Texas. This lawsuit arises from MCM's business in Texas and torts committed in Texas. Even though MCM has engaged in business in the State of Texas, MCM does not maintain a regular place of business in Texas. MCM also does not maintain a designated agent for service of process in Texas. Therefore, MCM has been served with citation through the Secretary of State for the State of Texas. The Texas Secretary of State has mailed a copy of the citation and the first amended petition to MCM at its home office, located at 2121 Eisenhower Avenue, Suite 200, Alexandria, Virginia 22314.

The defendants identified above are referred to collectively as the "Fraud Defendants".

8. Defendant Travelers Bond and Specialty Insurance is an assumed name of Travelers Indemnity Company and or Travelers Casualty and Surety Company of America which are Insurance Companies licensed to do business in the State of Texas, and may be served with process by serving their attorney for service listed with the Texas Department of Insurance: Corporation Service Company, 211 East 7th Street, Suite 620, Austin, Texas 78701-3218.

9. Defendant Travelers Casualty and Surety Company of America is an Insurance Company licensed to do business in the State of Texas and maintains its principal place of business at One Tower Square, Hartford, Connecticut, 06183 and may be served with process by serving



its attorney for service listed with the Texas Department of Insurance: Corporation Service Company, 211 East 7<sup>th</sup> Street, Suite 620, Austin, Texas 78701-3218.

10. Defendant Travelers Indemnity Company is an Insurance Company licensed to do business in the State of Texas and maintains its principal place of business at One Tower Square, Hartford, Connecticut 06183 and may be served with process by serving its attorney for service listed with the Texas Department of Insurance: Corporation Service Company, 211 East 7<sup>th</sup> Street, Suite 620, Austin, Texas 78701-3218.

The defendants identified above are referred to collectively as the “Travelers Defendants” or “Travelers”.

#### **JURISDICTION**

11. Citizens seeks monetary relief over \$1,000,000; and the damages sought by Citizens are within the jurisdictional limits of the court. *See* Tex. R. Civ. P. 47(b), (c)(5).

#### **VENUE**

12. Venue is proper in McLennan County, Texas because a substantial part of the events or omissions giving rise to the claims asserted occurred in McLennan County, Texas.

#### **FACTUAL BACKGROUND**

##### **A. Citizens State Bank**

13. Citizens is a state bank that has provided community-banking services to customers throughout central and southeast Texas for over 98 years. Citizens’ core back-office departments, including its finance, accounting, human resources, marketing, and warehouse lending departments, are based in McLennan County, Waco, Texas. Citizens operates a warehouse mortgage lending program, internally referred to as its “Temporary Mortgage Participation Program” or “TMPP.” In a typical TMPP transaction, Citizens provides a funding facility to a

licensed mortgage originator (the “Client”) in exchange for a loan-participation interest in a residential mortgage loan and related security instrument submitted by the Client. The funding facility allows the Client to fund mortgage loans to borrowers and then sell the loans—generally, 30-45 days later—on the secondary market to a mortgage investor. Once the Client sells the loan to an investor on the secondary market, Citizens is repaid the principal amount it paid for its participation interest, plus interest and fees for the temporary time the loan was held by the Client.

**B. Leslie’s Tangled Web of Affiliates**

14. Leslie formed Montage in Texas. Leslie represented to Citizens that Montage is licensed to originate mortgage loans in Texas and other states.

15. Leslie formed Snowberry in 2015. Leslie represented to Citizens that Snowberry is a title company engaged in the business of maintaining escrow accounts for money provided to fund mortgage loans. Snowberry’s listed registered agent address is the same as the address of Leslie’s personal residence.

16. Leslie formed MCM in 2015. Leslie represented to Citizens that MCM is an investor in mortgage loans.

**C. Leslie lures Citizens into a warehouse lending relationship**

17. In 2014, Montage acquired Ameritrust Mortgage, Inc., which had been a TMPP client of Citizens since 2010. Soon after the acquisition, Leslie sought to assume Ameritrust’s role in the TMPP by painting the picture of being an experienced mortgage banker expanding his business with a well-thought-out strategic plan.

18. Citizens and Montage subsequently entered a Loan Participation Agreement, Participation Adminstrating Agreement, and Amended and Restated Loan Participation Agreement (collectively, the “Agreements”), which enabled Montage to offer Citizens

opportunities to purchase 99% participation interests in residential mortgage loans and security instruments originated by Montage. In exchange for Citizens purchasing a 99% participation interest in a Montage loan, the Agreements required Montage to, among other things: (a) deliver to Citizens the executed loan and security instruments and required underwriting documentations executed by the borrower; and (b) immediately upon receipt of any payment from an investor, repay the principal loan amount funded by Citizens plus Citizens' respective share of the interest accrued on the loan and fees during the temporary time it was held by Montage.

19. Montage provided numerous express warranties to Citizens under the Agreements, including:

- Montage (i) is the sole and lawful owner of each Mortgage Loan, has good and marketable title thereto, free and clear of all security interests and liens, pledges, charges, encumbrances, or any interests of any other party; and (ii) has the full right and authority to assign and transfer each Mortgage Loan and the Participation Interest therein to [Citizens] ...
- The Mortgage Loan has been in accordance with loan underwriting standards and guidelines of Citizens ...
- Each Mortgage Note has been executed by the Borrower, each Borrower is fully competent to execute the Mortgage Note and the Mortgage Note is genuine and is legal and enforceable against Borrower in accordance with its terms.
- The Mortgage Loan was made pursuant to and in compliance with all applicable federal and state laws, rules, and regulations ...
- All copies of any Collateral Documents or Loan Papers furnished to Citizens are accurate and complete copies of the originals of such documents or papers.
- Montage has no knowledge at the time of the sale of each Participation Interest of any conditions which would impair the Mortgage Loan. No condition exists with respect to such Mortgage Loan which could give rise to any right of rescission, set-off, counterclaim, or defense with regard to the Mortgage Loan ...

- With respect to any Mortgage Loan which provides for escrows, all escrows have been properly collected and disbursed and a proper escrow account analysis has been prepared and timely delivered to the Borrower.
- There are no irregularities, deficiencies, defects, or falsifications concerning the Mortgage Loan . . . .
- Montage has full power and authority to originate, market, sell and service each Subject Mortgage Loan and to enter into and consummate all transactions contemplated by this Agreement and to enter into and consummate all transactions contemplated by this Agreement . . . .

20. The Agreement contains security mechanisms to secure Citizens' purchases of participation interests, including the obligation that "[u]pon the default of any provision of the Agreement or the breach of any representation or warranty made by [Montage] . . . , [Montage] shall be obligated to, and shall, immediately repurchase from Citizens the Participation Interest in the Mortgage Loan for the Repurchase Price."

21. Throughout Citizens' relationship with Ameritrust and Montage, Citizens purchased participation interests in over 1,400 loans totaling over \$287 million. In late 2015, Leslie began orchestrating mortgage transactions that involved Snowberry, as a purported settlement agent authorized to escrow funds and close loans, and MCM, as a purported mortgage investor. Uninformed of Leslie's tangled affiliation with Montage, Snowberry, and MCM, from October 2015 through October 2017, Citizens purchased 144 participation interests totaling \$31,908,808.88 in loans involving Leslie and his affiliates. Leslie never disclosed his or Montage's affiliation with Snowberry or MCM.

22. Citizens purchased an insurance policy from one or more of the Travelers Defendants by and through Travelers' agent in McLennan County, Texas, Wes Bailey of Bailey Risk Management and Insurance, Inc. Coverage for fraud and forgery in connection with its mortgage and securities business were included in the policy. This policy was to cover incidents

like the one which forms the basis of this suit. Citizens notified the Travelers Defendants of the fraud which forms the basis of this suit and filed a timely proof of claim for the losses sustained as a result of the conduct of the fraud defendants. Travelers denied the claim five months after the proof of loss was filed.

#### **D. Defendants' Scam Unravels**

23. In each of the transactions Leslie orchestrated to involve Montage, Snowberry, and MCM, Montage submitted a mortgage-loan package to Citizens that included underwriting materials, together with an executed note and mortgage. In many cases, the purported borrower was a previous borrower of Montage who appeared to be seeking to refinance an original mortgage. As a result, Montage had significant information about the purported borrowers from previous loan packages. Defendants even provided Mortgage Identification Numbers assigned by the Mortgage Electronic Registration Systems and other identifying information to add underwriting credence to the transactions. Citizens paid for all of its participation interests in these loans by wiring money pursuant to Leslie's directions. Before CSB wired any money in these transactions, Leslie represented that MCM could serve as the ultimate secondary-market investor to purchase/settle the loans and send the sales proceeds to Citizens.

24. On October 17, 2017, Citizens informed Leslie over the phone that it needed to suspend its purchase of participation interests in Montage loans and desired to close out its existing pipeline of participation interests in 23 outstanding Montage loans. Realizing his scam was on the verge of ending, Leslie reached out later the same day and asked if he could travel from his home in Colorado to meet with Citizens' President the very next day. At the meeting the following day, Leslie confessed that only 11 of the 23 outstanding loans were legitimate and could be sold on the secondary market to pay off Citizens in the normal course of business. Leslie admitted that Citizens

had purchased phantom participation interests in the remaining 12 outstanding loans (the "Phantom Loans") that would not be repaid. The reason why: Leslie secretly pocketed the money.

25. In reference to the Phantom Loans, Leslie specifically confessed:

- "You know we'll be able to pay off [the Phantom Loans] in a longer time frame. So, what I'm gonna request from you is a 6-month to 12-month time frame to pay the rest of them off so — and I've got the — you know, I've got reasons for that, but I don't think we want to go into those .... I've got a big, giant, lawsuit against another company that's gonna settle ... out as soon as December. I'm gonna want up to 12 months if we can structure it that way. ... And [then] the bank will get their money."
- "There's been a giant number of mistakes that are gonna, you know — they're — if we can just structure a longer term pay out on the balance and give me a chance to get this lawsuit to the goal line, it's a real deal, it'll get you paid."
- "I have created massive problems by making mistakes that were not, you know, were not personally motivated or driven but it is what it is at this point. I mean I got — you know, so I got a problem and the way to fix the problem is to let the lawsuit manifest, you know, a settlement and then we get this knocked out."
- "Can I have 12 loans — or some way to structure something that gets us time to let that lawsuit pay. That's all we got. That's all I got .... I put myself in a bad position by making, you know, an original mistake that led to a thousand others ...."
- "I'm just here in front of you because, you know, I want you to see me as a regretful, remorseful person that's gonna — I'm gonna fix this if you give me a chance, or if the board gives me the chance, but I don't know how to handle it from here other than to come talk to you and I didn't — I hadn't sought legal advice. I haven't -- you know what I mean? I don't know where it goes from here. I just know that you've got some loans that need to get paid and then -- then we need to, if it's possible work out a time frame on these others and that what's I'm here to ask."

26. In response to these bombshells, Citizens asked Leslie: "Why won't [the Phantom Loans] pay off in the normal course of business." Leslie's incriminating response was:

They — they just — they won't. You know, they just won't and I don't know, you know, what language to use there. I don't want to dance around it. ... I don't know what I should say to you that would put you in a position where you have to go,



you know, I'm trying to — I'm trying to play kind of a semantics game here that I'm not comfortable playing 'cause I've never been in this position before but you just don't want to dig deeper on these loans. You just don't. And you know there's a problem there. ... I think the less that the bank knows maybe the better. Because if the bank knows something the bank might have to disclose something ... and I don't want to put you in the position where you have to disclose or lie or whatever and maybe omission is as much the same thing but I don't know, I've never been in this position before. ... It's not good and it's not a good situation. I'm, you know, I'm prepared. You know I've already kind of met my maker on what I've done to try to solve all these problems and I've just created more problems.

Leslie confirmed the status of the Phantom Loans in the following exchange:

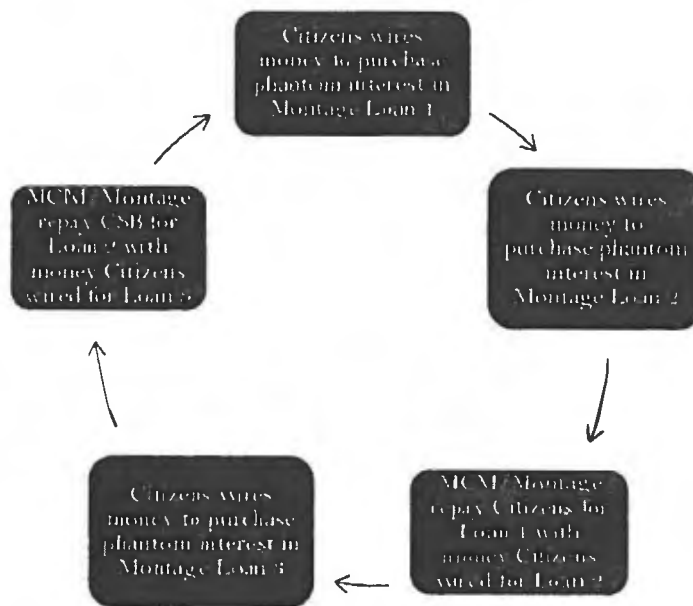
Citizens: "What I'm hearing [is] the only way to get the bank paid is based off of a lawsuit?

Leslie: "Correct."

Citizens: "All right. So that's telling me then these loans are not going to pay. Are they real loans?"

Leslie: "I don't know what I should say or what I shouldn't say there. The loans are not gonna pay. ... I have no ability to make restitution of any sort right now. I mean, so if we — if this thing goes where a full everybody ripping everything apart and, you know, regulators come and, you know, authorities come and, you know, it — whatever happens to me but I just — there's nothing."

27. As a result of Leslie's confessions, Citizens conducted an investigation into its transaction history with Leslie and Montage. The investigation revealed that the litany of Leslie's "mistakes" likely amount to a large-scale scam that would have carried on indefinitely had Citizens not suspended its TMPP relationship with Montage. The scam appears to have relied on a continuous cycle of theft and fraud depicted in the following diagram:



When the music finally stopped on Leslie's musical-chairs game of fraud, Citizens was left holding \$3,872,745 worth of non-existent interests in the 12 Phantom Loans with no underlying property to serve as security. Defendants have failed and refused to repay Citizens for the funds it wired for the Phantom Loans. All conditions precedent to enforcement of Citizens' claims have occurred or been waived or excused.

28. Travelers was presented with and denied the Claim.

29. On December 18, 2017, Citizens filed a Proof of Loss with Travelers. The claim related to the fraudulent loans detailed above resulting in a loss of \$3,872,745.00 by Citizens. Citizens had purchased a Bond (No. 071-LB-105912142) from Travelers with the effective dates of April 1, 2017 to April 1, 2018 to cover losses incurred as a result of fraud and forgery. The policy was purchased and designed to cover precisely the type of loss sustained by Citizens as a result of the actions of the fraud defendants. Citizens discovered the fraud which forms the basis of this suit in October 2017. Citizens filed a proof of loss within the terms of the policy. Travelers denied coverage for this loss on May 18, 2018 on the purported basis that neither Citizens nor an

authorized representative of Citizens had actual physical possession of the original note or mortgage/deed of trust at the time Citizens funded/purchased the participation. Travelers further justified their denial of coverage on the basis that Snowberry was not Citizens' authorized representative for purposes of these transactions. Travelers specifically determined that Snowberry was not an agent of Citizens despite the fact that there was an ongoing relationship resulting in the successful closing of over 125 loans where Snowberry acted as Citizens authorized representative, either as a title company and /or closing agent for these transactions. On May 25, 2018, Travelers formally denied coverage for this claim. The correspondence denying coverage states:

Based upon the information submitted, the loss does not fall within the coverage provided by the Securities Insuring Agreement because neither Citizens nor an authorized representative of Citizens had actual physical possession of the original note or mortgage/deed of trust at the time Citizens funded/purchased the participation in the associated loan.

Travelers attempted to justify their denial as follows:

Citing to Insuring Agreement E Citizens must have actual physical possession of the Original note or mortgage/deed of trust at the time it funded or purchased the participation. This could be satisfied if either Citizens *or its authorized representative* had possession of the original documents at the time Citizens wired the funds. (Emphasis added).

30. It is clear that there in fact was an express and/or implied agency relationship between Snowberry and Citizens. The fact that wiring instructions were provided, and funds were wired to Snowberry is evidence that an express or implied agreement existed wherein Snowberry was to fund a mortgage loan and deliver an original promissory note from the borrower within a short time following closing. This express or implied agreement between Citizens and Snowberry was played out 144 times, including with respect to the twelve loans subject to this claim. In each case, money was wired to Snowberry and the original note was sent to the Bank. It is abundantly clear that an agreement existed, whether express or implied, as evidenced by the fact that upon receipt

of funds from the Citizens by Snowberry, an original note and other closing documents were sent to Citizens. Citizens and Snowberry acted on this agreement many times over the course of their relationship.

31. Further, Citizens extended credit in exchange for a participation certificate evidencing Citizen's interest in the mortgage loan, the original of which was in the possession of Montage. Montage was expressly obligated under the terms of its Amended and Restated Loan Participation Agreement (section 10) to forward the original note and other loan documents to Citizens within five days after the closing of the loan. This is precisely the type of arrangement contemplated by the Travelers policy when it allows the requirement of actual physical possession of original items (including the note) to be satisfied by possession of an authorized party. Montage, as the representative of Citizens, had an express obligation to forward the original note to Citizens and did so many times.

32. All conditions precedent to enforcement of Citizens' claims have occurred or been waived or excused.

**COUNT 1: FRAUD/ STATUTORY FRAUD**

33. The Fraud Defendants made false representations to Citizens regarding the Phantom Loans. Specifically, Leslie and Montage falsely represented, among other things, that they:

- originated, delivered, marketed, and sold lawful, valid interests in secured mortgage loans on legitimate residential properties to Citizens;
- secured title on the underlying residential properties;
- set up a valid escrow arrangement to hold and direct Citizens' money for its intended purpose; and
- MCM was a valid investor and purchaser of mortgage loans.

34. The Fraud Defendants knew these representations were false when they were made. The Fraud Defendants made the representations with the intent that Citizens rely on them. Citizens justifiably relied on the representations by wiring money to purchase participation interests in what it believed to be valid, secured loans.

35. The transactions at issue involved real estate within the scope of Texas Business and Commerce Code § 27.01.

36. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of the Fraud Defendants' actions.

#### **COUNT 2: CIVIL THEFT**

37. The actions of the Fraud Defendants constitute civil theft because the Fraud Defendants knowingly and without effective consent appropriated money belonging to Citizens for the purpose of using that property for their own benefit.

38. The Fraud Defendants deceptively induced Citizens to wire money to purchase fictitious interests in the Phantom Loans. The Fraud Defendants misappropriated at least \$3,872,745 in funds that belong to Citizens.

39. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of the Fraud Defendants' actions.

#### **COUNT 3: FRAUDULENT INDUCEMENT**

40. The Fraud Defendants made false representations to Citizens to induce Citizens to purchase phantom interests in fictitious mortgage loans, including that:

- Montage originated, delivered, marketed, and sold lawful, valid interests in secured mortgage loans on legitimate residential properties to Citizens;
- title was secured on the properties securing the loans;

- a valid escrow arrangement was established to hold and direct Citizens' money for its intended purpose; and
- MCM was a valid investor and purchaser of mortgage loans.

41. The representations were material. The Fraud Defendants knew the representations were false when they were made and made the representations with the intent that Citizens rely on them. Citizens justifiably relied on the representations before funding the Phantom Loans. Citizens has been injured in the amount of at least \$3,872,745 as a proximate result of the Fraud Defendants' actions.

#### **COUNT 4: MONEY HAD AND RECEIVED**

42. The Fraud Defendants hold money that, in equity and good conscience, belongs to Citizens. Specifically, the Fraud Defendants defrauded Citizens into wiring money to purchase fictitious interests in the Phantom Loans and stole the money. Citizens is entitled to recover this money from the Fraud Defendants.

#### **COUNT 5: NEGLIGENCE**

43. The Fraud Defendants owed a duty of care to Citizens. The Fraud Defendants' failed to exercise ordinary care and acted negligently by engaging in the conduct addressed in Counts 1, 2, 3, 4, 6, and 7. Citizens has been injured as a proximate result of the Fraud Defendants' negligence in an amount to be more fully demonstrated at trial.

#### **COUNT 6: CONSPIRACY**

44. The Fraud Defendants acted pursuant to a common scheme designed to steal money from Citizens. The Fraud Defendants committed overt acts in furtherance of the common scheme by, among other things, (a) making false representations to Citizens about the validity and marketability of the Phantom Loans and the use of Citizens' money and (b) delivering false loan documents and security instruments to Citizens. The Fraud Defendants are jointly and severally



liable for their tortious conduct. Citizens has been injured as a proximate result of the conspiracy in an amount to be more fully demonstrated at trial.

**COUNT 7: AIDING AND ABETTING**

45. The Fraud Defendants acted with knowledge of each other's tortious conduct, as described above, and provided substantial assistance and encouragement to each other to effectuate their respective tortious acts. The Fraud Defendants were aware of their role as part of these tortious activities at the time of providing the assistance. The Fraud Defendants are therefore liable for aiding and abetting the tortious acts alleged herein. Citizens has been injured as a proximate result of the Fraud Defendants actions in an amount to be more fully demonstrated at trial.

**COUNT 8: UNJUST ENRICHMENT / CONSTRUCTIVE TRUST**

46. The Fraud Defendants committed fraud against Citizens. The Fraud Defendants wrongfully stole money from Citizens by creating, delivering, and selling Citizens fake interests in the Phantom Loans. Accordingly, Citizens seeks the remedy of unjust enrichment because the Fraud Defendants have been unjustly enriched as a result of their actions. Citizens also seeks the remedy of a constructive trust related to these funds.

**COUNT 9: BREACH OF CONTRACT  
(FRAUD DEFENDANTS)**

47. Citizens and Montage entered binding, enforceable contracts with Montage. Citizens fully performed its obligations under the Agreements. Montage breached the Agreements by, among other things, failing to perform the obligations set forth above in Paragraphs 17 and 18. Citizens has been injured as a proximate result of Montage's breach of contract in an amount to be more fully demonstrated at trial.

**COUNT 10: BREACH OF CONTRACT  
(TRAVELERS DEFENDANTS)**

48. The conduct of Travelers constitutes a breach of contract in that Travelers has failed

to pay Citizens' covered claim under the terms of the bond. As a consequence, Citizens has suffered damages. Citizens is entitled to pursue all remedies and damages available to it for Travelers' wrongful conduct.

**COUNT 11: VIOLATIONS OF TEXAS INSURANCE CODE ANNOTATED SECTION 542.060, *ET SEQ.*  
(TRAVELERS DEFENDANTS)**

49. The conduct of Travelers violates the Texas Prompt Pay Statute, Texas Insurance Code section 542.060, *et seq.* entitling Citizens to the amount of the claim, interest on the amount of the claim at the rate of eighteen percent (18%) a year as damages, together with reasonable attorney's fees.

**COUNT 12: VIOLATIONS OF THE TEXAS INSURANCE CODE AND TEXAS DECEPTIVE TRADE PRACTICES ACT  
(TRAVELERS DEFENDANTS)**

50. The conduct of Travelers violates the Texas Insurance Code Annotated §§541.051, 541.060 and 541.061 and the Texas Deceptive Trade Practices Act ("DPTA") §17.46(b), including but not limited to the following:

- Misrepresenting the terms of and the benefits or advantages promised by the Bond covering Citizens loss as a result of the acts of fraud and forgery by the fraud Defendants.
- Disregarding the fact that Snowberry sent the original note to the Bank, after the Bank wired funds to Snowberry, in every instance (approximately 150 closings) where Snowberry closed a loan including the loans subject to this claim and as a result misrepresenting the nature of the relationship between Citizens and the fraud defendants;
- Disregarding the fact that Montage and Snowberry provided wiring instructions to Citizens for the closing of the loans and as a result misrepresented and wrongfully ignored the nature of the relationship between Citizens and the fraud defendants.
- Disregarding the fact that Snowberry as the title company held the note and mortgages for the benefit of Montage and Citizens and as a result misrepresented the nature of the relationship between Citizens and the Fraud Defendants.
- Failing to attempt in good faith to effectuate a prompt, fair and equitable settlement of Citizens claim as made in their Proof of Loss.

- Refusing to pay the claim set out in the proof of loss without conducting a reasonable investigation and ignoring and disregarding documents and information that do not support Travelers denial of coverage
- Causing confusion or misunderstanding about the relationship that existed between Citizens and the Fraud Defendants. Specifically, the implied agency relationship between Citizens and Snowberry who acted as the title company and closing agent for the transactions which resulted in the loss to Citizens.

Each of these acts, omissions and conduct, singularly or in combination, was a producing cause of Citizens injuries and/or damages. Such conduct was committed knowingly or intentionally, entitling Citizens to additional damages.

51. Texas law provides that it is an unfair method of competition or an unfair or deceptive act or practice to engage in unfair settlement practices including, without limitation, failing to attempt in good faith to effectuate a prompt, fair and equitable settlement of a claim with respect to which the insurer's liability has become reasonably clear or failing within a reasonable time to deny coverage. The proof of loss previously provided to Travelers, together with the additional information provided to Travelers, and the information obtained through the sworn depositions of Trey Allision and Rebecca Wright satisfy the notice requirements of Tex. Bus. & Com. Code § 17.50 and Tex. Ins. Code §541.154.

#### **DAMAGES AND ATTORNEY'S FEES**

52. As a result of the acts, omissions and conduct of the Defendants as alleged herein, Citizens has suffered damages in excess of the minimal jurisdictional limits of this Court and seeks recovery of same. Citizens also seeks recovery all other damages to which it is entitled, including additional, extra, double and/or treble damages and any and all other damages as allowed and defined by statute or common law for the knowing and intentional conduct of Defendants.

53. As a result of Defendant's conduct, Citizens was forced to employ the services of

counsel to protect and prosecute its interests and claims in this matter. Citizens is therefore entitled to and seeks recovery of its attorneys' fees and costs for the prosecution of this case through trial, post-trial proceedings, all appellate proceedings, and any other proceedings related to this cause. Citizens seeks its attorneys' fees on all legal and statutory grounds as permitted by law.

In addition, Citizens hereby makes demand of Defendants to pay all costs of court related to the prosecution of this matter.

#### **EXEMPLARY DAMAGES**

54. The Defendants committed the tortious actions described herein with malice, gross negligence, and fraud, as those terms are defined by Chapter 41 of Texas Civil Practice and Remedies Code. Therefore, Citizens is entitled to, and requests, an award of exemplary damages in an amount of the trier of fact finds sufficient. *See* TEX. CIV. PRAC & REM. CODE § 41.001, *et seq.*; TEX. BUS. & COMM. CODE § 27.01, *et seq.*

#### **JURY DEMAND**

55. Citizens hereby respectfully requests a trial by jury.

#### **DISCOVERY –REQUEST FOR DISCLOSURE**

Pursuant to Tex. R. Civ. P. 194.2, Plaintiff requests Defendants to disclose the information or material described in Rule 194.2, inclusive of all subparts (a-l).

#### **PRAYER**

**WHEREFORE, PREMISES CONSIDERED,** Citizens request that the Fraud Defendants be cited to appear and that the Travelers Defendants be served with process and a copy of this suit and answer herein, and that upon final trial of this matter, Citizens have judgement against the Defendants, jointly and severally for: actual damages, special or consequential damages, statutory damages, exemplary damages, a constructive trust, disgorgement of all undue profits obtained by the Defendants, pre-judgement interest, post-judgment interest, reasonable and

necessary attorneys' fees for pre-trial, trial, all appeals, and petitions for review, costs of suit, and all other appropriate relief to which Citizens may be entitled in law or equity.

Respectfully submitted,

**BEARD, KULTGEN, BROPHY,  
BOSTWICK & DICKSON**  
901 Main Street, Suite 6300  
Dallas, Texas 75202  
(214) 761-6460  
(214) 761-6469 – Fax

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Kristopher D. Hill  
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[khill@bellnunnally.com](mailto:khill@bellnunnally.com)

**ATTORNEYS FOR PLAINTIFF CITIZENS  
STATE BANK**

## Envelope Details

Page 1 of 2

[Print this page](#)**Case # 2017-4071-5**

2018 JUL 30 PM 4: 21

JOHN R. SIMBLE  
DISTRICT CLERK  
MCLENNAN COUNTY

DEPUTY

**Case Information**

|                   |                                  |
|-------------------|----------------------------------|
| Location          | McLennan County - District Clerk |
| Date Filed        | 7/30/2018 11:51 AM               |
| Case Number       | 2017-4071-5                      |
| Case Description  |                                  |
| Assigned to Judge |                                  |
| Attorney          | Elizabeth Fraley                 |
| Firm Name         | Fraley & Fraley                  |
| Filed By          | Angela Clark                     |
| Filer Type        | Not Applicable                   |

**Fees**

|                                  |        |
|----------------------------------|--------|
| Convenience Fee                  | \$0.15 |
| Total Court Case Fees            | \$0.00 |
| Total Court Party Fees           | \$0.00 |
| Total Court Filing Fees          | \$0.00 |
| Total Court Service Fees         | \$2.00 |
| Total Filing & Service Fees      | \$0.00 |
| Total Provider Service Fees      | \$2.99 |
| Total Provider Tax Fees          | \$0.25 |
| Total Taxes (for non-court fees) | \$0.00 |
| Grand Total                      | \$5.39 |

**Payment**

|                      |                |
|----------------------|----------------|
| Account Name         | FST-0696996201 |
| Transaction Amount   | \$5.39         |
| Transaction Response | Approved       |
| Transaction ID       | 40130337       |
| Order #              | 026356219-0    |

**Amended Filing**

|                    |                                      |
|--------------------|--------------------------------------|
| Filing Type        | EFileAndServe                        |
| Filing Code        | Amended Filing                       |
| Filing Description | P's 3rd AM Original Petition         |
| Reference Number   | 6691d9c1-221c-43f9-8ab6-0dc0346e9c07 |
| Comments           |                                      |
| Status             | Accepted                             |



## Envelope Details

Page 2 of 2

Accepted Date 7/30/2018 12:00 PM

## Fees

Court Fee \$0.00

Service Fee \$0.00

## Documents

|                      |                         |                   |                      |
|----------------------|-------------------------|-------------------|----------------------|
| <i>Lead Document</i> | P's 3rd AM Petition.pdf | <u>[Original]</u> | <u>[Transmitted]</u> |
|----------------------|-------------------------|-------------------|----------------------|

## eService Details

| Name/Email                                             | Firm                          | Service Method | Status | Served | Date/Time<br>Opened   |
|--------------------------------------------------------|-------------------------------|----------------|--------|--------|-----------------------|
| Angela Clark<br>aclark@fraley-law.com                  | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened            |
| Debbie Archer<br>darcher@bellnunnally.com              | Bell Nunnally<br>Martin       | EServe         | Sent   | Yes    | Not Opened            |
| Elizabeth M. Fraley<br>efraley@fraley-law.com          | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened            |
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |                               | EServe         | Sent   | Yes    | 7/30/2018 11:56<br>AM |
| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | Not Opened            |
| Brent A Turman<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | Not Opened            |
| Laura Kugler<br>lkugler@fraley-law.com                 | Fraley & Fraley               | EServe         | Sent   | Yes    | 7/30/2018 11:54<br>AM |
| Tonya C. Stephenson<br>tstephenson@bellnunnally.com    | Bell Nunnally &<br>Martin LLP | EServe         | Sent   | Yes    | Not Opened            |
| Rick Brophy<br>brophy@thetexasfirm.com                 | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened            |

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MCLENNAN COUNTY  
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Maxine Barton



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**DISTRICT CLERK**  
MCLENNAN COUNTY COURTHOUSE  
501 Washington Ave., Suite 300 Annex  
WACO, TEXAS 76701  
254-757-5057 OR 757-5054

**REQUEST FOR ISSUANCE**

CAUSE NUMBER: Cause No. 2017-4071-5 DATE: 08/13/18

PERSON TO BE SERVED: Travelers Bond and Specialty Insurance

ADDRESS TO SERVE: 211 East 7th Street, Suite 620, Austin, Texas 78701-3218

FEES PAID BY: CHECK ☐ CASH ☐ DEBIT ☐ OATH ☐ CREDIT CARD (INCLUDES PROCESSING FEE) ☒

**ISSUANCE:**

CITATION ☒ NOTICE OF HEARING/CONTEMPT \_\_\_\_\_  
TRO ☐ PROTECTIVE ORDER ☐  
WRIT OF (SPECIFY) ☐ OTHER (SPECIFY) \_\_\_\_\_

**SERVICE:**

DELIVER TO ATTORNEY

DELIVER TO CONSTABLE

DELIVER TO PRIVATE PROCESS SERVER (SPECIFY) Special Delivery

DELIVER TO SHERIFF

**REQUESTED BY:**  
(PLEASE PRINT)

BY Elizabeth Fraley

FIRM Fraley & Fraley

CONTACT NO. (214) 761-6460

## Envelope Details

Page 2 of 2

Accepted Date 8/13/2018 1:39 PM

**Fees**

Court Fee \$28.00

Service Fee \$0.00

**Optional Services**

Issue Citation \$8.00

Copies - Non-Certified \$20.00 (20 x \$1.00)

**Documents**

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|----------------------|------------------------------|-------------------|----------------------|
| <i>Lead Document</i> | Citizens Bank - RFI TBSI.pdf | <u>[Original]</u> | <u>[Transmitted]</u> |
|----------------------|------------------------------|-------------------|----------------------|

**eService Details**

| Name/Email                                             | Firm                          | Service Method | Status | Served | Date/Time<br>Opened |
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| Angela Clark<br>aclark@fraley-law.com                  | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Debbie Archer<br>darcher@bellnunnally.com              | Bell Nunnally<br>Martin       | EServe         | Sent   | Yes    | Not Opened          |
| Elizabeth M. Fraley<br>efraley@fraley-law.com          | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |                               | EServe         | Sent   | Yes    | Not Opened          |
| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | Not Opened          |
| Brent A Turman<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | Not Opened          |
| Laura Kugler<br>lkugler@fraley-law.com                 | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Rick Brophy<br>brophy@thetexasfirm.com                 | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Tonya C. Stephenson<br>tstephenson@bellnunnally.com    | Bell Nunnally &<br>Martin LLP | EServe         | Sent   | Yes    | Not Opened          |

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MCLENNAN COUNTY  
8/13/2018 12:18 PM  
JON R. GIMBLE  
DISTRICT CLERK

Maxine Barton



**JON R. GIMBLE**  
**DISTRICT CLERK**  
MCLENNAN COUNTY COURTHOUSE  
501 Washington Ave., Suite 300 Annex  
WACO, TEXAS 76701  
254-757-5057 OR 757-5054

**REQUEST FOR ISSUANCE**

CAUSE NUMBER: Cause No. 2017-4071-5 DATE: 08/13/18

PERSON TO BE SERVED: Travelers Casualty and Surety Company of America

ADDRESS TO SERVE: 211 East 7th Street, Suite 620, Austin, Texas 78701-3218

FEES PAID BY: CHECK ☐ CASH ☐ DEBIT ☐ OATH ☐ CREDIT CARD (INCLUDES PROCESSING FEE) ☒

**ISSUANCE:**

CITATION ☒ NOTICE OF HEARING/CONTEMPT \_\_\_\_\_  
TRO ☐ PROTECTIVE ORDER ☐  
WRIT OF (SPECIFY) ☐ OTHER (SPECIFY ) \_\_\_\_\_

**SERVICE:**

DELIVER TO ATTORNEY

DELIVER TO CONSTABLE

DELIVER TO PRIVATE PROCESS SERVER (SPECIFY) Special Delivery

DELIVER TO SHERIFF

**REQUESTED BY:**  
(PLEASE PRINT)

BY Elizabeth Fraley

FIRM Fraley & Fraley

CONTACT NO. (214) 761-6460

## Envelope Details

Page 1 of 2

[Print this page](#)**Case # 2017-4071-5****Case Information**

|                   |                                  |
|-------------------|----------------------------------|
| Location          | McLennan County - District Clerk |
| Date Filed        | 8/13/2018 12:18 PM               |
| Case Number       | 2017-4071-5                      |
| Case Description  |                                  |
| Assigned to Judge |                                  |
| Attorney          | Elizabeth Fraley                 |
| Firm Name         | Fraley & Fraley                  |
| Filed By          | Brittany Brooks                  |
| Filer Type        | Not Applicable                   |


**Fees**

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|----------------------------------|---------|
| Convenience Fee                  | \$0.96  |
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| Total Court Party Fees           | \$0.00  |
| Total Court Filing Fees          | \$28.00 |
| Total Court Service Fees         | \$2.00  |
| Total Filing & Service Fees      | \$0.00  |
| Total Provider Service Fees      | \$2.99  |
| Total Provider Tax Fees          | \$0.25  |
| Total Taxes (for non-court fees) | \$0.00  |
| Grand Total                      | \$34.20 |

**Payment**

|                      |                |
|----------------------|----------------|
| Account Name         | FST-0696996201 |
| Transaction Amount   | \$34.20        |
| Transaction Response | Approved       |
| Transaction ID       | 40625940       |
| Order #              | 026706886-0    |

FILED  
2018 AUG 13 PM 1:53  
JON R. GREGG  
DISTRICT CLERK  
MCLENNAN CO. TX.


**Request**

|                    |                                                  |
|--------------------|--------------------------------------------------|
| Filing Type        | EFileAndServe                                    |
| Filing Code        | Request                                          |
| Filing Description | Request for Issuance of Citation                 |
| Reference Number   | 085226be-3188-4dbd-9825-1afb6b02f581             |
| Comments           | Please notify when Citation complete for pickup. |
| Status             | Accepted                                         |

## Envelope Details

Page 2 of 2

Accepted Date 8/13/2018 1:39 PM

**Fees**

Court Fee \$28.00

Service Fee \$0.00

**Optional Services**

Issue Citation \$8.00

Copies - Non-Certified \$20.00 (20 x \$1.00)

**Documents**

|                      |                              |                   |                      |
|----------------------|------------------------------|-------------------|----------------------|
| <i>Lead Document</i> | Citizens Bank - RFI TCSC.pdf | <u>[Original]</u> | <u>[Transmitted]</u> |
|----------------------|------------------------------|-------------------|----------------------|

**eService Details**

| Name/Email                                             | Firm                          | Service Method | Status | Served | Date/Time<br>Opened |
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| Debbie Archer<br>darcher@bellnunnally.com              | Bell Nunnally<br>Martin       | EServe         | Sent   | Yes    | Not Opened          |
| Elizabeth M. Fraley<br>efraley@fraley-law.com          | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |                               | EServe         | Sent   | Yes    | Not Opened          |
| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | Not Opened          |
| Brent A Turman<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | Not Opened          |
| Laura Kugler<br>lkugler@fraley-law.com                 | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Rick Brophy<br>brophy@thetexasfirm.com                 | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Tonya C. Stephenson<br>tstephenson@bellnunnally.com    | Bell Nunnally &<br>Martin LLP | EServe         | Sent   | Yes    | Not Opened          |



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MCLENNAN COUNTY  
8/13/2018 12:22 PM  
JON R. GIMBLE  
DISTRICT CLERK

Maxine Barton



**JON R. GIMBLE**  
**DISTRICT CLERK**  
MCLENNAN COUNTY COURTHOUSE  
501 Washington Ave., Suite 300 Annex  
WACO, TEXAS 76701  
254-757-5057 OR 757-5054

**REQUEST FOR ISSUANCE**

CAUSE NUMBER: Cause No. 2017-4071-5 DATE: 08/13/18

PERSON TO BE SERVED: The Travelers Indemnity Company

ADDRESS TO SERVE: 211 East 7th Street, Suite 620, Austin, Texas 78701-3218

FEES PAID BY: CHECK ☐ CASH ☐ DEBIT ☐ OATH ☐ CREDIT CARD (INCLUDES PROCESSING FEE) ☒

**ISSUANCE:**

CITATION



NOTICE OF HEARING/CONTEMPT \_\_\_\_\_

TRO



PROTECTIVE ORDER ☐

WRIT OF (SPECIFY)



OTHER (SPECIFY ) \_\_\_\_\_

**SERVICE:**

DELIVER TO ATTORNEY

DELIVER TO CONSTABLE

DELIVER TO PRIVATE PROCESS SERVER (SPECIFY)

Special Delivery

DELIVER TO SHERIFF

**REQUESTED BY:**  
(PLEASE PRINT)

BY Elizabeth Fraley

FIRM Fraley & Fraley

CONTACT NO. (214) 761-6460

## Envelope Details

Page 1 of 2

[Print this page](#)**Case # 2017-4071-5****Case Information**

|                   |                                  |
|-------------------|----------------------------------|
| Location          | McLennan County - District Clerk |
| Date Filed        | 8/13/2018 12:22 PM               |
| Case Number       | 2017-4071-5                      |
| Case Description  |                                  |
| Assigned to Judge |                                  |
| Attorney          | Elizabeth Fraley                 |
| Firm Name         | Fraley & Fraley                  |
| Filed By          | Brittany Brooks                  |
| Filer Type        | Not Applicable                   |

**Fees**

|                                  |         |
|----------------------------------|---------|
| Convenience Fee                  | \$0.96  |
| Total Court Case Fees            | \$0.00  |
| Total Court Party Fees           | \$0.00  |
| Total Court Filing Fees          | \$28.00 |
| Total Court Service Fees         | \$2.00  |
| Total Filing & Service Fees      | \$0.00  |
| Total Provider Service Fees      | \$2.99  |
| Total Provider Tax Fees          | \$0.25  |
| Total Taxes (for non-court fees) | \$0.00  |
| Grand Total                      | \$34.20 |

**Payment**

|                      |                |
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| Account Name         | FST-0696996201 |
| Transaction Amount   | \$34.20        |
| Transaction Response | Approved       |
| Transaction ID       | 40625957       |
| Order #              | 026707035-0    |

FILED  
2018 AUG 13 PM 1:53  
JOY R. SHALE  
DISTRICT CLERK  
MCLENNAN CO. TX.

*Brittany Brooks*

**Request**

|                    |                                                  |
|--------------------|--------------------------------------------------|
| Filing Type        | EFileAndServe                                    |
| Filing Code        | Request                                          |
| Filing Description | Request for Issuance of Citation                 |
| Reference Number   | 75b0fd38-6e3a-4f2f-b17c-53db0c663441             |
| Comments           | Please notify when Citation complete for pickup. |
| Status             | Accepted                                         |

## Envelope Details

Page 2 of 2

Accepted Date 8/13/2018 1:40 PM

**Fees**

Court Fee \$28.00

Service Fee \$0.00

**Optional Services**

Issue Citation \$8.00

Copies - Non-Certified \$20.00 (20 x \$1.00)

**Documents**

|                      |                              |                   |                      |
|----------------------|------------------------------|-------------------|----------------------|
| <i>Lead Document</i> | Citizens Bank - RFI TTIC.pdf | <u>[Original]</u> | <u>[Transmitted]</u> |
|----------------------|------------------------------|-------------------|----------------------|

**eService Details**

| Name/Email                                             | Firm                          | Service Method | Status | Served | Date/Time<br>Opened |
|--------------------------------------------------------|-------------------------------|----------------|--------|--------|---------------------|
| Angela Clark<br>aclark@fraley-law.com                  | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Debbie Archer<br>darcher@bellnunnally.com              | Bell Nunnally<br>Martin       | EServe         | Sent   | Yes    | Not Opened          |
| Elizabeth M. Fraley<br>efraley@fraley-law.com          | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Christopher Trowbridge<br>ctrowbridge@bellnunnally.com |                               | EServe         | Sent   | Yes    | Not Opened          |
| Kristopher D Hill<br>khill@bellnunnally.com            |                               | EServe         | Sent   | Yes    | Not Opened          |
| Brent A Turnan<br>bturman@bellnunnally.com             |                               | EServe         | Sent   | Yes    | Not Opened          |
| Laura Kugler<br>lkugler@fraley-law.com                 | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Rick Brophy<br>brophy@thetexasfirm.com                 | Fraley & Fraley               | EServe         | Sent   | Yes    | Not Opened          |
| Tonya C. Stephenson<br>tstephenson@bellnunnally.com    | Bell Nunnally &<br>Martin LLP | EServe         | Sent   | Yes    | Not Opened          |

**CITATION**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**COPY**

**PAPER# 14  
SPECIAL DELIVERY**

**TO: TRAVELERS BOND AND SPECIALTY INSURANCE, AN INSURANCE COMPANY, DEFENDANT - BY SERVING ITS REGISTERED AGENT, CORPORATION SERVICE COMPANY, 211 EAST 7TH STREET, SUITE 620, AUSTIN, TEXAS 78701**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, and you are hereby served with a copy of Plaintiff's Discovery described below, to which you must file a written answer as required by law in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS STATE BANK  
VS.**

**Plaintiff**

**MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON,  
MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY,  
SNOWBERRY SETTLEMENTS, LLC, A FOREIGN, NONRESIDENT  
COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL  
MANAGEMENT, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED  
LIABILITY COMPANY, TRAVELERS BOND AND SPECIALTY INSURANCE,  
AN INSURANCE COMPANY, TRAVELERS CASUALTY AND SURETY COMPANY  
OF AMERICA, AN INSURANCE COMPANY, THE TRAVELERS INDEMNITY  
COMPANY, AN INSURANCE COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: PLAINTIFF'S THIRD AMENDED ORIGINAL PETITION**

**Pleading File Date: JULY 30, 2018**

**Discovery Requests: REQUEST FOR DISCLOSURE**

**Cause No: 2017-4071-5**

**NOTICE**

*You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and the above pleading and discovery, a default judgment may be taken against you.*

The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.**

**Issue Date: AUGUST 14, 2018.**

**ELIZABETH M. FRALEY  
901 MAIN STREET  
SUITE 6300  
DALLAS, TEXAS 75202**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorneys for Plaintiff**

**Jan R. Gandy, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701**

**By: [Signature] ASHLEY SNYDER, Deputy**

**RETURN OF SERVICE**

Style: **CITIZENS STATE BANK, A TEXAS STATE BANK VS. MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED LIABILITY COMPANY, TRAVELERS BOND AND SPECIALTY INSURANCE, AN INSURANCE COMPANY, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, AN INSURANCE COMPANY, THE TRAVELERS INDEMNITY COMPANY, AN INSURANCE COMPANY**

Cause No.: 2017-4071-5

Court: 414TH JUDICIAL DISTRICT

Paper#: 14

Instrument(s) Served: Pleading, **PLAINTIFFS THIRD AMENDED ORIGINAL PETITION**, and Discovery, **REQUEST FOR DISCLOSURE**

Came to hand on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_ o'clock \_\_\_\_ M. and executed on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by delivering to the party designated in the citation, to-wit:

at \_\_\_\_ o'clock \_\_\_\_ M; in person, a true copy of this citation with a true and correct copy of the pleading and discovery attached thereto, having first endorsed on such copy of said citation the date of delivery.

FEES: Serving one (1) copy

Total \$ \_\_\_\_\_ County, Texas

**NO SHERIFF OR CONSTABLE  
FEES COLLECTED**

By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

and having attempted on \_\_\_\_\_.

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my  
date of birth is \_\_\_\_\_, and my address is \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. Executed in \_\_\_\_\_ County, State  
of Texas, on the \_\_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year)

\_\_\_\_\_  
(Signature) Declarant"

**CITATION**

**PAPER# 15  
SPECIAL DELIVERY**

**THE STATE OF TEXAS**

**COPY**

**Cause No: 2017-4071-5**

**TO: TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, AN INSURANCE COMPANY, DEFENDANT -  
BY SERVING ITS REGISTERED AGENT, CORPORATION SERVICE COMPANY, 211 EAST 7TH STREET, SUITE  
620, AUSTIN, TEXAS 78701**

**GREETINGS:**

**YOU ARE HEREBY COMMANDED** to appear before the Honorable District Court below, of McLennan County, Texas, at the Courthouse of said County located at 501 Washington Avenue in Waco, Texas, by filing a written answer with the Clerk of the Court, at or before 10 o'clock A.M. of the Monday next after the expiration of twenty days after the date of service of this citation, to the pleading described below, and you are hereby served with a copy of Plaintiff's Discovery described below, to which you must file a written answer as required by law in the cause number described below on the docket of said court, and styled,

**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS STATE BANK  
VS,**

**Plaintiff**

**MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON,  
MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY,  
SNOWBERRY SETTLEMENTS, LLC, A FOREIGN, NONRESIDENT  
COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL  
MANAGEMENT, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED  
LIABILITY COMPANY, TRAVELERS BOND AND SPECIALTY INSURANCE,  
AN INSURANCE COMPANY, TRAVELERS CASUALTY AND SURETY COMPANY  
OF AMERICA, AN INSURANCE COMPANY, THE TRAVELERS INDEMNITY  
COMPANY, AN INSURANCE COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: PLAINTIFF'S THIRD AMENDED ORIGINAL PETITION**

**Pleading File Date: JULY 30, 2018**

**Discovery Requests: REQUEST FOR DISCLOSURE**

**Cause No: 2017-4071-5**

**NOTICE**

*You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and the above pleading and discovery, a default judgment may be taken against you.*

The officer executing this citation shall promptly serve the same according to requirements of law, and the mandates hereof, and make due return as the law directs.

**ISSUED AND GIVEN UNDER MY HAND AND SEAL OF OFFICE, at Waco, McLennan County, Texas.**

**Issue Date: AUGUST 14, 2018.**

**ELIZABETH M. FRALEY  
901 MAIN STREET  
SUITE 6300  
DALLAS, TEXAS 75202**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorneys for Plaintiff**

**Jon R. Giville, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701**

By  , Deputy  
**ASHLEY SNYDER**

10



RETURN OF SERVICE

Style: CITIZENS STATE BANK, A TEXAS STATE BANK VS. MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED LIABILITY COMPANY, TRAVELERS BOND AND SPECIALTY INSURANCE, AN INSURANCE COMPANY, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, AN INSURANCE COMPANY, THE TRAVELERS INDEMNITY COMPANY, AN INSURANCE COMPANY

Cause No.: 2017-4071-5

Court: 414TH JUDICIAL DISTRICT

Paper#: 15

Instrument(s) Served: Pleading, PLAINTIFF'S THIRD AMENDED ORIGINAL PETITION, and Discovery, REQUEST FOR DISCLOSURE

Came to hand on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_ o'clock \_\_\_\_M. and executed on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by delivering to the party designated in the citation, to-wit:

at \_\_\_\_ o'clock \_\_\_\_M; n person, a true copy of this citation with a true and correct copy of the pleading and discovery attached thereto, having first endorsed on such copy of said citation the date of delivery.

FEES: Serving one (1) copy

Total \$\_\_\_\_\_ NO SHERIFF OR CONSTABLE  
FEES COLLECTED

\_\_\_\_\_  
\_\_\_\_\_  
County, Texas

By \_\_\_\_\_

NOT EXECUTED FOR THE FOLLOWING REASONS \_\_\_\_\_

and having attempted on \_\_\_\_\_

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my  
date of birth is \_\_\_\_\_ and my address is \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. Executed in \_\_\_\_\_ County, State  
of Texas, on the \_\_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year)

\_\_\_\_\_  
(Signature) Declarant"



**CITATION**

**COPY**

**PAPER# 16  
SPECIAL DELIVERY**

**THE STATE OF TEXAS**

**Cause No: 2017-4071-5**

**TO: THE TRAVELERS INDEMNITY COMPANY, AN INSURANCE COMPANY, DEFENDANT - BY SERVING ITS REGISTERED AGENT, CORPORATION SERVICE COMPANY, 211 EAST 7TH STREET, SUITE 620, AUSTIN, TEXAS 78701**

**GREETINGS:**

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**PARTIES TO THIS ACTION ARE:**

**CITIZENS STATE BANK, A TEXAS STATE BANK**

**Plaintiff**

**VS.**

**MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON,  
MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY,  
SNOWBERRY SETTLEMENTS, LLC, A FOREIGN, NONRESIDENT  
COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL  
MANAGEMENT, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED  
LIABILITY COMPANY, TRAVELERS BOND AND SPECIALTY INSURANCE,  
AN INSURANCE COMPANY, TRAVELERS CASUALTY AND SURETY COMPANY  
OF AMERICA, AN INSURANCE COMPANY, THE TRAVELERS INDEMNITY  
COMPANY, AN INSURANCE COMPANY**

**Defendants**

**Court: 414TH JUDICIAL DISTRICT**

**Pleading: PLAINTIFFS THIRD AMENDED ORIGINAL PETITION**

**Pleading File Date: JULY 30, 2018**

**Discovery Requests: REQUEST FOR DISCLOSURE**

**Cause No: 2017-4071-5**

**NOTICE**

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**Issue Date: AUGUST 14, 2018.**

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SUITE 6300  
DALLAS, TEXAS 75202**

**CHRISTOPHER B. TROWBRIDGE  
3232 MCKINNEY AVENUE  
SUITE 1400  
DALLAS, TEXAS 75204  
Attorneys for Plaintiff**

Jon R. Gamble, District Clerk  
501 Washington Ave., Suite 300 Annex  
Waco, McLennan County, Texas 76701

By

**ASHLEY SNYDER**

**Deputy**

**RETURN OF SERVICE**

**Style: CITIZENS STATE BANK, A TEXAS STATE BANK VS. MICHAEL SCOTT LESLIE, A NONRESIDENT NATURAL PERSON, MONTAGE MORTGAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, SNOWBERRY SETTLEMENTS, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED LIABILITY COMPANY, MORTGAGE CAPITAL MANAGEMENT, LLC, A FOREIGN, NONRESIDENT COLORADO LIMITED LIABILITY COMPANY, TRAVELERS BOND AND SPECIALTY INSURANCE, AN INSURANCE COMPANY, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, AN INSURANCE COMPANY, THE TRAVELERS INDEMNITY COMPANY, AN INSURANCE COMPANY**

**Cause No.: 2017-4071-5**

**Court: 414TH JUDICIAL DISTRICT**

**Paper#: 16**

**Instrument(s) Served: Pleading, PLAINTIFF'S THIRD AMENDED ORIGINAL PETITION, and Discovery, REQUEST FOR DISCLOSURE**

Came to hand on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_M. and executed on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by delivering to the party designated in the citation, to-wit:

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**FEES: Serving one (1) copy**

Total \$ \_\_\_\_\_

**NO SHERIFF OR CONSTABLE  
FEES COLLECTED**

\_\_\_\_\_  
\_\_\_\_\_, County, Texas

By \_\_\_\_\_

**NOT EXECUTED FOR THE FOLLOWING REASONS** \_\_\_\_\_

and having attempted on \_\_\_\_\_

"My name is \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_ (Last), my  
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